

Par. 821152

838



Monday,  
8th December, 1952

# PARLIAMENTARY DEBATES

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## HOUSE OF THE PEOPLE

### OFFICIAL REPORT

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**PARLIAMENT SECRETARIAT  
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PARLIAMENTARY DEBATES..... 19.11.2014

(Part I—Questions and Answers)

OFFICIAL REPORT

1200

HOUSE OF THE PEOPLE

Monday, 8th December, 1952

The House met at a Quarter to Eleven of the Clock.

[MR. DEPUTY SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

REGULAR COMMISSION IN THE ARMY

\*992. **Sardar Hukam Singh:** (a) Will the Minister of Defence be pleased to state whether any cadets of the Senior Division Army Wing were granted Regular Commission in the army during 1952 without having to appear for U.P.S.C. qualifying examination?

(b) If so, what was their number and what were the conditions of such exemption?

**The Deputy Minister of Defence (Shri Satish Chandra):** (a) Yes

(b) 14.

The main conditions for such exemption from U.P.S.C. examination are that the candidate—

- (i) has served for 3 years in the Senior Division of the National Cadet Corps;
- (ii) has passed the examination for Certificate 'C' of the National Cadet Corps;
- (iii) holds a degree of a recognised University;
- (iv) is between 19 and 23 years of age, relaxable in the case of technical graduates to between 20 and 25 years of age; and
- (v) holds a certificate of good character from the respective Universities or Principals of Colleges.

1210

**Sardar Hukam Singh:** Has he to appear before any Selection Board instead of the U.P.S.C.?

**Shri Satish Chandra:** Ordinarily the candidates for admission to the National Defence Academy have to appear both before the U.P.S.C. and the Services Selection Board. In this case they have to appear only before the Services Selection Board.

**Sardar Hukam Singh:** May I know whether they have to complete that normal course of two years in the National Academy or their course is shorter?

**Shri Satish Chandra:** They have to take a pre-Commission course of one year.

**Sardar Hukam Singh:** What is the strength of the Girls Division in the National Cadet Corps?

**Shri Satish Chandra:** I have not got that figure, but that hardly arises in relation to admission of the cadets to the National Defence Academy.

**Sardar Hukam Singh:** Should I take it that this is your decision, Sir?

**Shri Satish Chandra:** It is a little over 500—if I may answer that question for the satisfaction of my hon. friend. But that does not arise at all from this question.

**Mr. Deputy-Speaker:** Very well. It has been answered.

**Sardar Hukam Singh:** I only wanted the information, not the satisfaction, Sir.

May I know whether any girls also have been included in this list of persons who have been exempted from these examinations?

**Shri Satish Chandra:** No, Sir. No girls have been admitted so far to the National Defence Academy.



# Per Capita Incidence of Taxation

\*995. Shri A. N. Vidyalaankar: (a) Will the Minister of Finance be pleased to state the per capita incidence of taxation?

(b) Have the Government of India received any protests against the policy of imposing sales tax?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) About Rs. 18.

(b) Yea, Sir.

Shri A. N. Vidyalaankar: May I know whether it is a fact that the sales tax is a tax on the consumer?

Shri Tyagi: Yes, Sir, all these taxes, both direct and indirect, have been included here.

Shri A. N. Vidyalaankar: Is it a fact that originally this tax was meant to be realised from the traders only and not from the consumers?

Shri Tyagi: Whether this is a provincial tax and whether it is realised from the traders or the consumers, its incidence falls on the total population.

Shri A. N. Vidyalaankar: May I know whether it is a fact that a large proportion of the funds realised as sales tax from the consumers by the traders is withheld from the appropriate Government?

Shri Tyagi: The Central Government does not realise any sales tax. It is the appropriate Governments themselves which realise the sales tax and therefore there is no question of "withholding" from the appropriate Governments.

Shri A. N. Vidyalaankar: Is it a fact that the consumers and traders and the general public have made representations to the Government that sales tax should not be realised and that it should be abolished?

Shri Tyagi: Yes, Sir, off and on representations of this nature are received, but it does not lie in the hands of the Central Government to abolish the tax.

Mr. Deputy-Speaker: Under the Constitution.

Shri A. N. Vidyalaankar: Is Government making any attempt to make the imposition of sales tax uniform in all the Provinces?

Mr. Deputy-Speaker: All that has been debated. Again and again it has been debated on the floor of the House in connection with a Bill.

# Hindustan Aircraft Limited

\*996. Sardar Hukam Singh: (a) Will the Minister of Defence be pleased to state what was the volume (and, if possible, value) of the production in the Hindustan Aircraft Ltd., at Bangalore, and the volume (and cost) of the repair work done in that Factory for Government (civil as well as military) aircraft during each of the years since its establishment?

(b) When is the output from this Factory expected to meet India's own needs in this regard, as at present, including both civil and military aircraft and parts?

The Deputy Minister of Defence (Sardar Majithia): (a) H.A.L. have been engaged, for the last three years, in the erection-cum-assembly of aircraft from components/details imported from the U.K. for the Air Force and repairs and overhaul of I.A.F. aircraft. They have also been engaged on the evolution of a trainer aircraft suitable both for Civil and Defence needs. It did not do any work regarding manufacture/repair/overhaul of aircraft on behalf of the civil Government departments I regret it will not be in the public interest to give any detailed information about the volume of the work done. The total value of the work done for the Air Force for the years 1948-49, 1949-50, 1950-51 and 1951-52 is 47.95, 77.04, 126.96 and 205.59 lakhs respectively.

(b) The Factory is adequately equipped to meet the civil and military needs of the country in regard to repair and overhaul of the aircraft. Efforts are being made to manufacture some types of aircraft in the country, but it will be some considerable time before the Factory can be said to have the capacity to meet the entire civil and military requirements of the country.

Sardar Hukam Singh: After the crash of the first Prototype HT-2 in 1951, has any second Prototype been tried and test-flown?

Sardar Majithia: Yes, Sir.

Sardar Hukam Singh: When was it done?

Sardar Majithia: In the same place.

Sardar Hukam Singh: Has the factory gone into production of HT-2?

Sardar Majithia: There are four Prototypes under assembly.

Sardar Hukam Singh: Has any other aeroplane besides HT 2 been tried?

**Sardar Majithia:** No other plane besides HT-2 has been tried, because they are still in the production stage.

**Shri Matthen:** May I know the work done, not for Defence, but the other civil work by Hindustan Aircraft during the last few years?

**Sardar Majithia:** Well, Sir, actually it does not arise out of the question, but I can say that in 1946-47.....

**Mr. Deputy-Speaker:** Let me see the question: "Will the Minister of Defence be pleased to state what was the volume (and, if possible, value) of the production.....and the volume (and cost) of the repair work done in that Factory for Government (civil as well as military) aircraft.....?"

**Sardar Majithia:** I am going to give that. So far as work for civil air lines is concerned 1946-47—56.40 lakhs; 1947-48—130.44 lakhs; 1948-49—112.22 lakhs; 1949-50—105.32 lakhs; 1950-51 128.69 lakhs; 1951-52—172.4 lakhs.

**Shri Matthen:** What were the types of work done: Railways or any other?

**Sardar Majithia:** I have given these figures so far as civil air lines are concerned.

**Mr. Deputy-Speaker:** What are the categories of work done: railway coaches built, aircraft repair, etc.?

**Sardar Majithia:** For that I shall require notice.

**Shri G. S. Singh:** May I know whether the aircraft assembled in this factory costs more than an aircraft assembled in England and flown direct to India?

**Sardar Majithia:** No; that is not a fact.

**Shri V. P. Nayar:** What is the percentage of imported parts used in this Hindustan Aircraft Factory in production and in repair?

**Sardar Majithia:** The parts which we cannot produce here are imported. So far as.....

**Shri V. P. Nayar:** it is common sense.....

**Mr. Deputy-Speaker:** What is the proportion?

**Sardar Majithia:** As regards the proportion, I have not got the figures here. If the hon. Member is very keen, if he puts a question on that, I shall give.....

**Mr. Deputy-Speaker:** Why should these remarks be unnecessarily made? The hon. Minister need not have started

with this and then say, if the hon. Member is keen. Certainly, it is expected that every hon. Member is keen. This will bring out a volley of questions on the other side.

**Shri V. P. Nayar:** One more question, Sir. Arising out of the answer of the hon. Minister, may I ask from what countries these spare parts are imported?

**Sardar Majithia:** Mostly, U.K.

**Shri Kelappan:** What are the parts imported? What are the parts manufactured here?

**Sardar Majithia:** It is not in the interests of India to disclose what parts are produced here and what are imported.

**Shri Jaipal Singh:** May I know why the IAF have accepted HT-3 as suitable and why the D.G. C.A. does not consider it good enough?

**Sardar Majithia:** If that question is put to the Ministry of Communications, they will be in a better position to reply to that.

**Shri Matthen:** The hon. Minister said that the cost of assembling an aircraft in India is not more than the cost of assembly in England. Will the hon. Minister please state what exactly is the average cost per unit in England and in India?

**Mr. Deputy-Speaker:** Does it not depend on each individual aircraft?

**Shri Matthen:** The same aircraft. The hon. Minister said that the cost in India is not more than the cost in England. I have doubts about it. I want to know the cost for the same aircraft.

**Sardar Majithia:** As I said already, I should not like to make a present of these figures.

**Shri Sarvagadhar Das:** May I know if the factory is running at a margin of profit now?

**Sardar Majithia:** The factory is running at a profit at the moment.

**Shri S. C. Samanta:** The hon. Minister said that the second prototype is complete. May I know how many test flights have been made?

**Sardar Majithia:** I am afraid I have not got that information at the moment. I shall certainly try to remember that.

**Shri Banerji:** What were the profits during the last financial year?

**Sardar Majithia:** I am afraid I have not got the information at present.

**Mr. Deputy-Speaker:** Next question.

#### DEVALUATION OF STERLING

\*997. **Sardar Hukam Singh:** Will the Minister of Finance be pleased to state:

(a) whether the attention of the Government of India has been drawn to press reports published in July last regarding the further devaluation of Sterling, or its dislinking from the American Dollar;

(b) whether there is any agreement, understanding, or arrangement with Britain, regarding the course of the Exchange Ratio of the Indian Rupee with the Pound Sterling, in the event of any devaluation of the latter, in terms of the American Dollar or its dislinking from that standard of currency;

(c) whether any steps have been taken of provisions made, by the Government of India to guard against the unilateral devaluation of the Pound Sterling, which would adversely affect the value of India's Sterling Balances in terms of the American Dollar; and

(d) if so, what are those steps?

**The Minister of Revenue and Expenditure (Shri Tyagi):** (a) Yes, Sir.

(b) and (c). No, Sir.

(d) Does not arise.

**Sardar Hukam Singh:** The hon. Minister must have noticed the speech of our hon. Finance Minister in London when he said that it requires the strengthening of the sterling. May I know whether any practical steps have been suggested for strengthening that?

**Shri Tyagi:** I cannot really recollect what my hon. friend means by reminding me of the speech. In his original question he wanted to know.....

**Sardar Hukam Singh:** The speech may be left alone. I want to know whether any practical steps have been suggested in that conference for strengthening the Pound.

**Shri T. T. Krishnaswami:** The hon. Finance Minister is now in London. I think the House must be well assured that all possible steps in the direction the hon. Member has indicated would be taken by him.

**Sardar Hukam Singh:** I only wanted to draw the attention of the Government to the speech of the hon. Finance Minister because he had observed that the sterling had taken a plunge and we should see that it swims and not sinks. I wanted to know whether in that conference any concrete suggestions have been made.

**Shri Tyagi:** The Conference is being held in camera. In fact, as far as financial matters are concerned, they cannot be discussed in open. The proceedings of the conference are top secret. They are making efforts and I hope they will fructify. I am not in a position to disclose any secrets because they are not only the secrets of the Government of India, but the secrets of other Governments with which I cannot take liberties.

**Sardar Hukam Singh:** Are we to presume that the Government has that information and in the public interests, it is not going to disclose it, or that it has no information at all?

**Mr. Deputy-Speaker:** Really in such matters, if hon. Members want any more information about this matter, let us wait until the Finance Minister comes back. There is no good asking as to what is in his mind and what he has said there. The hon. Minister is not in a position to give those details or if he has then, he does not think it desirable to give them while the proceedings are going on there. As soon as we find there is some inconvenience, let us not pursue the matter and any that the hon. Minister has not got the information, etc.

श्री टी० एन० सिंह : क्या यह ठीक है कि जितने स्टर्लिंग कर्डीज हैं हिन्दुस्तान को लेकर के सोने की कीमत नीची करने की तरफ कोशिश हो रही है और यदि ऐसा है तो क्या इस से डीवैल्यूएशन पर और ज्यादा असर नहीं पड़ेगा ?

श्री श्यामी : मैंने अर्थ किया कि यह तमाम मसले इस वक्त तमाम मुक्त आपस में साथ मिल कर तय कर रहे हैं और इस वक्त यहाँ पर किसी एक सर्वनमेंट का कुछ कमिट करना मेरे ख्याल में बहुत ज्यादा दानिशमन्दी नहीं होगी ।

**Mr. Deputy-Speaker:** As soon as the hon. Finance Minister comes, certainly, I am sure, he will take the House into confidence if there is anything to inform the House.

**Shri T. N. Singh:** I put this question because reports are appearing in the papers that such and such things are being done. These reports are very dangerous and they affect the market. That is why I put this question to know whether there is any fact in the reports that steps are being taken by India as well as other sterling countries to raise the price of gold?

भी त्यागी : बूँक प्रेस के अन्दर तरह तरह की रिपोर्ट्स आ रही हैं, इसलिए मैं समझता हूँ कि यह जरूरी है कि उन रिपोर्ट्स के ऊपर कुछ न कहा जाय और पेस को उन के हाल पर छोड़ दिया जाय। जब तक कान्फ्रेंस अपनी कार्रवाई कर चुकेगी तो कान्फ्रेंस की तरफ से एक अधोराष्ट्र प्रान्त घोषणा कर दिया जायगा जिस से दुनिया को मालूम हो जायगा कि क्या हुआ ?

श्री बंसल : क्या यह बात सच नहीं है कि बाबजूद इन रिपोर्ट्स के सोने के दाम नीचे बिर रहे हैं ?

Mr. Deputy-Speaker: Let us not enter into a discussion. We know that even when top secret matters are being discussed, journalists have their own way of inferring things and then they come out. Next question.

#### DECREASE IN POPULATION (ANDAMANS)

\*998. Shri S. C. Samanta: (a) Will the Minister of Home Affairs be pleased to state what are the causes for the decrease in population in the Andaman and Nicobar Islands according to the Census of 1951 in comparison with the Census of 1941?

(b) How many new persons were added to the population there by the scheme for colonisation and settlement?

(c) Is it a fact that the nonagricultural population in the Islands is more than six times the agricultural population?

(d) If so, what steps have Government taken to encourage agricultural pursuits in order to make the Islands self-sufficient in food?

The Deputy Minister of Home Affairs (Shri Ostar): (a) The decrease in population is attributable to numerous deaths due to starvation, disease and hardship, during the Japanese occupation of the Islands from 1942 to 1945 and the repatriation of ex-convicts consequent on the abolition of the Penal Settlement in the Islands.

(b) 1,854 persons.

(c) The Census figures show a population of 4,411 agriculturists and 20,650 non-agriculturists, but the latter figure includes 12,000 Nicobarese who derive their livelihood from coconut plantations.

(d) The settlement of refugees from the mainland and other steps have increased the cultivable area in the Andamans from 2,500 acres in 1947 to over 5,000 in 1951. Under the proposed five-year colonization plan it is expected to add another 10,000 acres which should result in making the Islands not only self-sufficient but surplus in food.

Shri S. C. Samanta: May I know whether provisional census was taken in Andamans before the final census?

Shri Datar: Even final census has been taken, and the figures are as follows, for Andaman and Nicobar Islands:

| Year   | No.    |
|--------|--------|
| 1951   | 30,971 |
| (1941) | 33,768 |

Shri S. C. Samanta: May I know whether the disafforestation of the 20,000 acres of land mentioned by the hon. Minister has been started?

Shri Datar: That work has been started.

Shri S. C. Samanta: May I know whether 4,000 agricultural families are proposed to be taken to Andamans, and if so, how many have already been taken?

Shri Datar: So far as displaced persons are concerned, 359 displaced families comprising 1,289 persons have already been provided for there. Others are being gradually taken there.

Shri S. C. Samanta: May I know whether East Bengal refugees have been included in that number?

Shri Datar: They have been.

Shri S. C. Samanta: May I know, whether in order to improve agricultural facilities, any livestock census has been taken there and whether any improvements have been made as a result?

Shri Datar: Livestock census has not yet been taken, but other measures have been taken, such as the starting of experimental farms there.

Shri K. G. Deshmukh: May I know what is the deficit in foodgrains in this Island?

Shri Ostar: I have no information.

Shri Chaudhara Menon: May I know whether the Government have under contemplation any scheme to preserve one or two of these Islands for colonisation of people from the West Coast of India?

**Shri Datar:** It is open to any person from any part of India to go there.

**Shri Damodara Menon:** May I know whether in the five year plan for colonisation and settlement in the islands, the Government has reserved any proportion for refugees and for other persons?

**Shri Datar:** No proportion as such has been reserved for refugees, but it is open to others also to go there.

**Shri Kelappa:** What steps have been taken to improve the health of these islands to make them fit for habitation?

**Shri Datar:** Steps are being taken to improve the general health and sanitary conditions of the two islands.

**Shrimati Tarkeshwari Sinha:** May I know how many refugees have been sent from West Bengal to Andaman and Nicobar Islands, during the year 1952?

**Shri Datar:** The first batch of displaced persons from East Bengal consisted of 202 families which went in March 1949. Others also are going thereafter.

**Shrimati Tarkeshwari Sinha:** May we have any idea as to how many persons have returned from there? There are reports appearing in the papers that those who have been sent there do not want to stay there and are returning?

**Shri Datar:** I have no information now, but I may tell the House that the number of persons who have returned is not so large.

**Shrimati Tarkeshwari Sinha:** What is the help the Government is giving...

**Mr. Deputy-Speaker:** Are we entering into a discussion now? The hon. Member may ask for information.

**Shrimati Tarkeshwari Sinha:** I want to ask just one question. What help is the Government giving to these refugees? Is it any annual help or some lump sum that is given to them?

**Shri Datar:** They have been given help in various ways. Lands are given to them, and agricultural loans also are given.

**Shri P. T. Chacko:** May I know whether Government intends to give any financial help to those people who are prepared to go there and settle down?

**Shri Datar:** We are giving financial help in the form of loans.

**Shri Achuthan:** What are the main industries there?

**Shri S. C. Samanta:** May we know the amount set apart in the five year plan for the development and colonisation of the Andaman and Nicobar Islands?

**Shri Datar:** I have not got the figure, but the House will have it in the course of the day.

#### GADGU. COMMITTEE

\*299. **Shri L. N. Mishra:** Will the Minister of Finance be pleased to lay on the Table of the House a statement showing the salient features of the recommendations of the Gadgil Committee as regards the D. A. of the services and state the financial implications of the recommendations?

The Minister of Revenue and Expenditure (**Shri Tyagi**): Attention is invited to the reply given to starred question No. 225 put by **Shri S. N. Das** on the 12th November 1952 and to the summary of the Report of the Dearness Allowance Committee placed on the Table of the House. The recommendations, if accepted, will cost an additional amount of the order of approximately Rs. 5 crores to the Exchequer of the Central Government.

**Shri L. N. Mishra:** Are these recommendations to operate in all the States on a uniform basis? Or do they apply only to the Centre?

**Shri Tyagi:** This Committee was appointed by the Centre to look into the conditions of the Government officials in the Central Government alone.

**Shri L. N. Mishra:** What were the recommendations affecting the services in the railways?

**Shri Tyagi:** Railways are in the Central services.

श्री एम० एल० हिचेरी : मैं माननीय मंत्री से यह जानना चाहता हूँ कि जो डिजनेस ऐलाउंस का आधा हिस्सा तत्त्वाह्न में मिला दिया गया है उस के बाद जो ऐलाउंस कैल्कुलेट किया जायगा या बाका जायगा वह पुरानी तत्त्वाह्नों पर बाका जायेगा या बड़ी हुई तत्त्वाह्नों के अनुसार ?

श्री स्थायी : पुरानी तत्त्वाह्नों के अनुसार बाका जायेगा। बिकर इतनी बात हुई है

कि जो डिब्रिनेस ऐंलाउंस का आधा हिस्सा तन्त्रवाहों में बाँट दिया गया है उससे गवर्नमेंट सर्वेन्स को अपनी पेंशन के मामले में कायदा पहुँचाना, और सारा साथ यह भी तजवीज किया गया है कि उस की तन्त्रवाह के बड़े जानों की वजह से जो १० की सदी मकान का किराया लिया जाता था वह पुरानो तन्त्रवाह पर तो १० की सदी ही लिया जायेगा, लेकिन जो ऐंलाउंस का बाधा हिस्सा मिलाया जायेगा उस पर सिर्फ ५ कीसदी लिया जायेगा। इस तरह से कुछ किराये का भी फायदा ही जायेगा।

**Shri K. Subrahmanyam:** Is it not a fact that most of the labour organisations barring those controlled by the Congress Party's Labour Front 'INTUC' demanded cent. per cent. merger of dearness allowance with the basic wages, and if so what are the calculations which led to the rejection of this demand?

**Shri Tyagi:** According to my information, the Committee issued a questionnaire to about 275 recognised unions of the Central Government employees, and to the State Governments, and also invited the co-operation of the public through the Press; besides collecting written evidence, it also recorded oral evidence from the representatives of the Central Government servants, and prominent non-officials at Bombay, Madras, Nagpur, Calcutta, Lucknow, Kanpur and Delhi. It also had personal discussions with leading economists like Dr C. N. Vakil, the Director of the University School of Economics and Sociology.....Bombay.....

**Mr. Deputy-Speaker:** That is not asked by the hon. Member. What he wanted was whether the INTUC made any representation and if so what those representations were.....

**Shri Tyagi:** If my hon. friend wants to know what each one of these people who came and gave evidence demanded, then it is not possible for me just now to recollect.

**Shri K. Subrahmanyam:** Is it a fact that.....

**Mr. Deputy-Speaker:** If it is already a fact, why does the hon. Member want to put a question on that?

**Shri K. Subrahmanyam:** I want to know whether it is a fact or not.....

**Mr. Deputy-Speaker:** The hon. Member has evidently read the report. What is it that he wants?

**Shri Damodara Menon:** He wants to know the reason for rejecting that demand.

**Mr. Deputy-Speaker:** Why not the hon. Member read the report? In so far as these reports are concerned, I would urge upon all hon. Members to read the report which will speak for itself. If there is anything lacking or some more explanation is necessary, then that might be put down for questions.

**Shri S. S. Mure:** Was it laid on the Table of the House?

**Mr. Deputy-Speaker:** A summary has been laid, I think.

**Shri Tyagi:** It was placed on the Table of the House.

#### LOAN FROM WORLD BANK

\*1990. **Shri Narsada:** Will the Minister of Finance be pleased to state:

(a) whether it is proposed to take a loan from the World Bank to supplement the resources of the Industrial Finance Corporation;

(b) whether negotiations have been conducted for such a loan;

(c) the amount which is proposed to be borrowed and the terms on which the loan is being taken;

(d) the period of repayment and the rate of interest;

(e) whether the loan is being taken in dollars;

(f) if so, would it have to be spent in the USA or Dollar Area countries; and

(g) the purpose for which it could be utilised?

**The Deputy Minister of Finance (Shri M. C. Shab):** (a) Yes, a loan is proposed to be taken direct by the Industrial Finance Corporation of India.

(b) Negotiations of the proposed loan have been going on.

(c) The amount of the loan has been tentatively fixed at eight million dollars. The terms of the loan have not yet been finalised but the loan will have to be guaranteed by the Government of India both as regards payment of interest and repayment of principal.

(d) Not yet finalised but the International Bank has tentatively suggested interest at 4½ per cent. for a loan to be repaid in 12 years, provided the loan is finalised immediately.

(e) The amount of the loan will be expressed in equivalent number of dollars, but will be availed of in the several currencies in which borrowers of the Industrial Finance Corporation of India will pay for the machinery imported from foreign countries.

(f) Not necessarily. The Industrial concerns borrowing from the Industrial Finance Corporation are free to purchase machinery in any country they choose and the Corporation will pay out of the borrowed fund in any currency demanded by the manufacturers of the machinery.

(g) The loan is meant for the industrial development of India and will be available for meeting the foreign currencies expenditure required by the Industrial concerns financed by the Corporation for paying for imported capital goods.

Shri Namadas: May I know, Sir, whether Government is prepared to guarantee any loan floated internally for similar purposes? If not, why not?

Mr. Deputy-Speaker: I won't allow this. How does this arise out of it? It is only a loan from the World Bank. We have spent four or five days over the Industrial Finance Corporation and this was the main subject matter. And how do we jump to internal loans?

Kumari Annie Mascarene: May I know whether we have any assets in the World Bank?

Shri M. C. Shah: At least we are a member contributing to the capital of the World Bank. I have already stated...

Kumari Annie Mascarene: I want to know the amount, please.

Shri M. C. Shah: The total subscription is 400 million dollars. We have to pay 80 million dollars in the first instance as called upon. We have paid 8 million in dollar currency and we have paid the rest in Indian rupees and non-negotiable non-interest bearing bonds, kept with the Reserve Bank of India in the account of the International Bank for Reconstruction and Development.

Kumari Annie Mascarene: May I know the rate of the Rupee with regard to Sterling?

Mr. Deputy-Speaker: That does not arise out of this question.

Shri Namadas: May I know whether the income accruing out of the World Bank loan will be subject to income-tax?

Mr. Deputy-Speaker: In their hands? How is the loan liable to income-tax?

Shri Tysak: It is not subject to income-tax.

Shri T. K. Chaudhuri: The hon. Minister gave an indication that the International Bank had demanded an interest of 4½ per cent. Apart from this interest and apart from the Government guarantee which is required under the Charter of the International Bank, is there any other guarantee or any other security demanded by the International Bank?

Shri M. C. Shah: No, Sir. No other guarantee or no security.

Shri T. N. Sengh: May I know if the World Bank sent any Mission to India to report on the loans being granted by the I.F.C. and if so, what is the report?

Shri M. C. Shah: Yes, Sir. A Mission had come here. They had discussed first in India the question about the loans being granted by the Industrial Finance Corporation. Not only that they had already inspected certain works to which the Industrial Finance Corporation had given loans, and they had just seen ten such works, and they were satisfied. Rather, they said that the Industrial Finance Corporation had acted in a very conservative way, and were following a very sound economic policy. Thereafter, the officials of the International Bank had come here to negotiate about the terms. The whole matter was discussed with the Finance Ministry officials, and the matter was then pursued further, and thereafter, they invited a delegation from the Government of India to come to Washington to negotiate, and Mr. Sonalkar had gone there.

Shri N. Sreekantan Nair: May I know whether it is because of the satisfaction of the representatives who came to inspect the work of the Industrial Finance Corporation, that they wanted a security from the Government?

Mr. Deputy-Speaker: This is a loan to a corporation—the Industrial Finance Corporation. Therefore, they want security. Those works have not been undertaken by the Industrial Finance Corporation.

**Shri N. Sreekantan Nair:** The Minister said that they were satisfied with...

**Mr. Deputy-Speaker:** It is their usual practice.

**Shri V. P. Nayar:** May I know whether the World Bank has submitted any report after investigation in India, and whether it would be possible for the Government to lay on the Table of the House a copy of such a report, if any?

**Shri M. C. Shah:** They had submitted a report, but it is not possible for the Government to place that on the Table of the House.

**Shri Natesan:** May I know what would be the eventual commitment of the Government of India with the World Bank: (1) by way of loans, and (2) by way of guarantees?

**Mr. Deputy-Speaker:** This matter was debated. There was a complaint that there was no upper limit fixed. What is the good of asking the same thing, I do not think it is useful to ask.

**Shri S. N. Das:** In reply to part (g) of the question, the hon. Minister has stated that the loan was meant for industrial development. May I know, Sir, the specific industries for which these loans are being given?

**Shri M. C. Shah:** The Industrial Finance Corporation had issued a questionnaire to all the States, commercial concerns, banks etc., and they have tried to assess how much will be required for these industrial concerns.

**Mr. Deputy Speaker:** Next question. No. 1002.

श्री एम. एन. द्विवेदी : उपाध्यक्ष महोदय, प्रश्न नम्बर १००१ के सामने "बीमिटेड" लिख दिया गया है। मैं जानना चाहता हूँ कि जब यह प्रश्न स्वीकार कर लिया गया तो फिर "बीमिटेड" इसके आगे क्यों लिखा गया ?

**Mr. Deputy Speaker:** Is it by the hon. Member?

**Shri M. L. Dwivedi:** No, it was not in my name.

**Mr. Deputy-Speaker:** What is that question?

**Shri M. L. Dwivedi:** The question number is 1001, but there it is stated "omitted". I have seen this practice for the first time in the question

paper. I wanted to know the reason why, after all, the question had been admitted, it is mentioned here as 'omitted'.

**Mr. Deputy-Speaker:** Now, the hon. Member need not table a question. There is no question here. So, what is the question I have to put to the House?

Of course, if questions are *prima facie* admissible, they are noted. They are sent to the Ministry, and then the Ministry says that the question has been already answered. In those circumstances, occasionally such things happen. This is the first time it has happened. It is unnecessary to go into the matter and take up the time of the House. I could have understood if the hon. Member had tabled a question and it was omitted. Possibly, the question might have been withdrawn.

#### SUBSIDIARIES OF BRITISH AND AMERICAN COMPANIES

\*1002, **Shri Tushar Chatterjee:** Will the Minister of Finance be pleased to lay on the Table of the House a statement containing:

(a) a list of all subsidiaries of British companies operating in India;

(b) the list of all subsidiaries of American companies operating in India; and

(c) a list of foreign companies registered and operating in India with rupee capital together with their investment and country of origin?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) and (b). Statements giving the required information as far as available with Government are placed on the Table of the House. [See Appendix VI, annexure No. 1.]

(c) The information is not readily available and its collection will involve a disproportionate amount of labour.

**Mr. Deputy-Speaker:** I believe the House is not in a mood to put any supplementary questions. I will proceed to the next question.

**Shri Tushar Chatterjee:** Sir, I want to put one question. What is the total American capital invested in each of the companies, and what is the proportion of that capital to the total capital of the country?

**Shri M. C. Shah:** I have already replied to that in (c).



**Mr. Deputy-Speaker:** Are the amounts also noted in the list?

**Shri M. C. Shah:** What does he want?

**Mr. Deputy-Speaker:** The hon. Member wants to know the amount of capital invested by American companies in subsidiary companies here.

**Shri M. C. Shah:** I will refer him to the census of India's foreign liabilities and assets issued by the Reserve Bank. That is available in the Library and if he refers to Statements 11 and 12 there, he can get all the information necessary.

**Shri T. N. Singh:** In view of the reports in the papers that these foreign-owned companies are not showing that interest which they should in Indian interests, are Government proposing to take any steps?

**Mr. Deputy-Speaker:** I am not able to follow. . . .

**Shri T. N. Singh:** There have been reports in the Press that there are ways and means by which transfer of assets etc. is being carried on by these companies and I want to know whether any steps are taken by Government.

**Mr. Deputy-Speaker:** The hon. Member means that they are not working in the best interests of this country. Are Government watching and if so, is there any foundation in that?

**Mr. M. C. Shah:** Certainly the Government are watching and they will look to the interest of the nation as a whole.

**Shri V. P. Nayar:** May I know, Sir, if it is a fact that these subsidiary companies are concentrated in certain profit-yielding industries, and may I also know, whether and if so, how many such firms are engaged in long-range industrial plans?

**Mr. Deputy-Speaker:** Are they not contained in that list?

**Shri V. P. Nayar:** No, Sir.

**Shri M. C. Shah:** As a matter of fact, Sir, all foreign companies registered in India with rupee capital are Indian companies under the Indian Companies Act. With regard to (c) I have already said that no information could be had.

**Shri V. P. Nayar:** That is no answer to my question. My question is: whether it is a fact that these subsidiaries are concentrating in certain fields of industrial activity.

**Mr. Deputy-Speaker:** That information is contained in that book. He has already said that. The hon. Member has not heard it. It is in that Reserve Bank publication.

**Shri V. P. Nayar:** I have seen that publication, Sir. There is no information about concentration of capital. That is why I am putting the question.

**Mr. Deputy-Speaker:** Is the hon. Minister in a position to answer?

**Shri M. C. Shah:** No, Sir.

**Shri Gadgil:** May I know whether the Government is alive to the fact.....(interruption)

**Mr. Deputy-Speaker:** There is a huge pause.

**Shri Gadgil:** ...alive to the fact that under the cloak of registration under the Indian Companies Act, foreign capital is establishing itself here firmer and firmer?

**Mr. Deputy-Speaker:** It is a matter of opinion. Let us wait and see.

**Dr. N. B. Khare:** It is a matter of fact.

**Shri Gadgil:** I only want to ask whether it is a fact that in the last three years this is on the increase.

**Mr. Deputy-Speaker:** That also is a matter of opinion.

**Shri Gadgil:** It is a question of comparison between figures before three years and figures after that.

**Mr. Deputy-Speaker:** I do not want to rule out anything arbitrarily. For bona fide purposes that money may be invested. As a matter of fact, it has been claimed that it is in the interest of India that that money should be invested. Government is asked to find out if that investment is in excess of the normal requirements of the country. It is a question of opinion.

**Lala Achint Ram:** Is the investment increasing?

**Mr. Deputy-Speaker:** On the one hand we want investment and on the other we are complaining against it!

**Shri T. N. Singh:** Is it true that there is a tendency with these concerns to concentrate in such fields where protection is being granted by the Government?

**Mr. Deputy-Speaker:** Are these subsidiary companies taking to only protected industries because it is safer?

**Shri M. C. Shah:** That question should be answered by the Commerce and Industry Minister.

**Shri K. P. Tripathi:** Is there any discrimination in the pay scale of the personnel employed in these European-owned industries? If so, are Government taking any steps to correct it?

**Mr. Deputy-Speaker:** Regarding personnel employed by these foreign companies, is there any discrimination in pay in favour of foreigners? Hon. Members will not force me to repeat every question. They should put questions slowly, distinctly, definitely and effectively.

**Shri M. C. Shah:** May hon friend must be aware that Government are alive to that fact and they are taking effective steps to see that the personnel is Indianised.

**Shri S. N. Das:** Is it a fact. . .

**Shri K. P. Tripathi:** I had put another question, Sir.

**Mr. Deputy-Speaker:** I have called Mr. Das.

**Shri S. N. Das:** Is it a fact that the Government wanted some information from these concerns and they did not supply it in time?

**The Minister of Revenue and Expenditure (Shri Tyagi):** This is a matter in which generally the hon. Minister for Commerce and Industry looks into.

**Shri K. P. Tripathi:** I had asked whether the Government were taking any steps to remove this discrimination—not Indianisation. Indianisation is one thing and removal of discrimination is another.

**Shri M. C. Shah:** I have already said that this is a question for the Commerce and Industry Minister. Here he asked for a statement. I have given the statement and additional information also.

#### CONVICTIONS FOR VIOLATION OF FOREST LAWS IN TRIPURA

**\*1003. Shri Dasaratha Deb:** Will the Minister of States be pleased to state:

(a) how many persons have been convicted in 1952, in Tripura for the violation of forest laws;

(b) what amount is realised as fines from them; and

(c) what income is realised by Government from the forest reserves of Tripura?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) 158.

(b) Rs. 1,131/-

(c) No separate accounts are maintained specifically for reserve forests. I may, however, say that in the Budget Estimates the income from forest reserves for 1952-53 has been put down at Rs. 9 lakhs.

**Shri Dasaratha Deb:** May I know, Sir, whether it is a fact that villagers themselves, who are living within the area of forest reserves are being arrested still indiscriminately by the police if they come out of their houses to perform their work?

**Shri Datar:** They are not arrested except for legitimate causes.

**Mr. Deputy-Speaker:** If any particular case comes to the notice of the hon. Member, it may be brought to the notice of the Minister and relief obtained. General questions of this kind do not serve any purpose.

**Shri Nambiar:** May I know, Sir, whether there are cases brought to the notice of the Minister of such illegal arrests, so to say, interfering with the normal work of the people?

**Shri Datar:** Government's attention has not been drawn to any such alleged illegal arrests.

**Mr. Deputy-Speaker:** I would say I was not a little surprised when the hon. Member from Tanjore took up the cause of Tripura. Any hon. Member can take any cause. But with respect to individual questions, unless any hon. Member knows definitely either by himself or through some other agency, there is no use asking general questions with a view to elicit some answer and put supplementary questions.

**Shri Nambiar:** I have some information. Sir (interruptions).

**Shri Syed Ahmed:** They do not know how to put questions. You have to teach them, Sir.

#### AGRICULTURAL LOAN

**\*1004. Shri Dasaratha Deb:** Will the Minister of States be pleased to state:

(a) how many peasants have applied for agricultural loan in Tripura in 1952; and

(b) how many of them have been granted the loan?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) 4,586.

(b) 1,097.

**Shri Dasaratha Deb:** May I know, Sir, what is the total amount of agricultural loan given in 1952?

**Shri Datar:** An amount of Rs. 1,35,000 has been provided by the Government of India for the year 1952-53 for issuing loans to the tribal people in distress in Tripura for agricultural purposes.

**Mr. Deputy-Speaker:** On what principle?

**Shri Datar:** Out of 4586, 1097 have been given loans.

**Mr. Deputy-Speaker:** How much money has been given by way of loan?

**Shri Datar:** Out of this, an amount of Rs. 1,10,000 has already been given.

**Shri Dasaratha Deb:** What is the minimum and maximum amount given to each peasant and on what principle is it given?

**Shri Datar:** Under the Agricultural Loans Act of Farsi 1310 the minimum amount of loan is 1,000 and the maximum is 5,000.

**Shrimati Maydeo:** May I know, Sir, whether the Government intends to start an agricultural finance corporation on the same lines as the Industrial Finance Corporation?

**Mr. Deputy-Speaker:** For Tripura only?

**Shrimati Maydeo:** For the whole of India.

**Mr. Deputy-Speaker:** That is a general question.

#### INSURANCE COMPANIES

\*1005. **Sardar A. S. Saigal:** (a) Will the Minister of Finance be pleased to state how many Insurance Companies have been taken over by Government during the period 15th August, 1947 to 15th November, 1952?

(b) What was the cause of taking over?

(c) Who manages the affairs of the companies after they are so taken over?

(d) How much money Government are spending for managing these companies?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) The following seven, Sir—Union Life and General Insurance Company Ltd., Bombay; Empire of India Life Insurance Co.

Ltd., Bombay; Jupiter General Insurance Co. Ltd., Bombay; Tropical Insurance Co. Ltd., New Delhi; National Mercantile Insurance Co. (India) Ltd., Calcutta; Famous Life Insurance Co. Ltd., Bombay; and East and West Insurance Co. Ltd., Bombay.

(b) Transacting business in a manner likely to be prejudicial to the interests of the policyholders.

(c) Administrators appointed by the Central Government under section 52A of the Insurance Act, 1938.

(d) Nothing, Sir. The salaries of the Administrators are met from the funds of the companies.

**Shri Kaulwal:** May I know, Sir, the total number of insurance companies operating in the country?

**Shri M. C. Shah:** I have not got that information, Sir.

**Shri Velayudhan:** May I know, Sir, against how many of the Directors of these companies the Government have instituted prosecutions?

**Shri M. C. Shah:** The Administrator looks into these matters and takes action wherever necessary. If my hon. friend wants to get the information about the seven companies, it would be a long thing. I have got all the proceedings of the seven companies from the time that the action was proposed to be taken till today.

**Shrimati Tarkeshwari Sinha:** May I know whether after these insurance companies have been taken over by the Government, their ordinary recurring expenses have increased or not?

**Shri M. C. Shah:** No. Rather the expenditure has decreased. The Administrator takes steps to see that they can be run again and they can be banded over to other companies.

**Shri B. S. Marthy:** May I know how much money has been lost to the Companies before they came under the Government and what steps have been taken to get the money back from the Directors?

**Shri M. C. Shah:** I have already replied that I have not got the figures as to how much money has been involved in these seven companies.

**Mr. Deputy-Speaker:** The hon. Minister has separate papers for each company. If the hon. Member is interested, the hon. Minister will make them available to him.

**Shri Matthen:** May I know whether the business of these companies has increased after they have been taken over by the Government?

**Shri M. C. Shah:** Sir, this life insurance will be allowed to be done only by certain companies. Because of the insolvency, because of the malpractices and other things exercised by the agents and Directors, only those companies have been allowed to do life business where it was thought feasible. The Jupiter has been allowed and the Empire has been allowed. Others have not been allowed to do life business.

**Shri Matthen:** May I know, Sir, in view of the growing number of companies being taken over by the Government and in view of the large funds necessary for the Five Year Plan, will the Government be pleased to consider the question of nationalisation of the insurance companies?

**Shri M. C. Shah:** I think I cannot reply this, Sir.

**Mr. Deputy-Speaker:** As these companies go on mismanaging, they will be nationalised.

**Shri Velayudhan:** May I know how many of these companies are under liquidation proceedings now?

**Shri M. C. Shah:** Necessary action has been taken against the Directors. And, as I said, Sir, the Empire and the Jupiter Companies have been allowed to resume their life business. The Administrator is examining each case.

**Mr. Deputy-Speaker:** He wants to know if any of these companies has gone into liquidation.

**Shri M. C. Shah:** Not to my knowledge, Sir.

**Mr. Deputy-Speaker:** When they are taken, it is only to avoid liquidation.

**Shri K. K. Baau:** May I know what are the malpractices of the previous Directors of these companies?

**Shri M. C. Shah:** The hon. Member will look into these reports.

#### RECLAMATION OF LAKE AREAS IN MANIPUR

\*1006. **Shri L. J. Singh:** Will the Minister of States be pleased to state:

(a) whether the report of the Deputy Minister for Food and Agriculture and the expert consultant on behalf of the Planning Commission, who visited Manipur in the month of

October, 1952 to find the possibilities of reclaiming the Loktak and other small lake areas by draining the excess water of the above mentioned lakes, and of training the Imphal and other rivers that caused flood almost annually, has been submitted to the Government of India; and

(b) if the answer to part (a) above be in the affirmative, whether Government contemplate the inclusion in the Five Year Plan for Manipur State of the scheme as recommended by the expert mentioned above?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) and (b). The Deputy Minister for Food and Agriculture, accompanied by an officer of the Central Water and Power Commission visited Manipur to study certain conditions there. Their reports are under examination.

**Shri L. J. Singh:** May I know what the main features of the report are?

**Shri Datar:** A number of recommendations have been made and they are under the purview of the Minister for Food and Agriculture and the Minister of Irrigation and River Valley Projects.

**Shri L. J. Singh:** What are the main suggestions?

**Shri Datar:** Now, this Commission went there to study the cause of the abnormal loss and damages due to the surplus waters of the Loktak lake so as to reclaim the marshy lands for growing more food and they have made a number of suggestions which are under examination.

#### WELFARE OF SCHEDULED TRIBES

\*1007. **Dr. Jaiav-vir:** Will the Minister of Home Affairs be pleased to state the amount spent for the welfare of Scheduled Tribes and Aborigines during the years 1950, 1951 and 1952?

**The Deputy Minister of Home Affairs (Shri Datar):** I place on the Table of the House a statement containing the information which is at present available. [See Appendix VI, annexure No. 2.]

A further statement will be laid on the Table when complete information is received.

**Shri K. G. Deshmukh:** May I know, Sir, whether this amount includes also the amounts given for the scholarship to the students of the scheduled tribes?

**Shri Datar:** I speak subject to correction, it does not.

**Shri Sanganna:** May I know whether the Advisory Council set up under Article 244(1) of the Constitution is authorised to exercise control over the expenditure placed at the disposal of the State Government?

**Shri Datar:** I may invite the hon. Member's attention to the fact that it is advisory in character and its advice is generally accepted.

**Shri P. N. Rajabhoj:** Have the Government distributed the amount to every region?

**Shri Datar:** Yes, the amounts are distributed according to the regions, in the light of the requirements of each State.

**Shri P. N. Rajabhoj:** How much amount has been given to each State?

**Shri Datar:** It is a long statement. Sir, if permitted I shall read.

**Mr. Deputy-Speaker:** If the hon. Member is interested, he may ask for it and the long list will be laid on the Table.

**Shri B. S. Murthy:** In the statement placed on the Table, Sir, Madras has been given only four lakhs of rupees whereas places like Madhya Pradesh and Orissa were given 12 lakhs and 22 lakhs respectively. May I know, Sir, why this disparity?

**Shri Datar:** Sir, this depends upon the reports that we received and the materials sent to us regarding the various projects for development. These amounts have only reference to the claims they make.

**Shri B. S. Murthy:** Is it a fact, Sir, that the Orissa State spent 40 lakhs of rupees in 1950-51 and 1951-52 and therefore, the Government have given 22 lakhs of rupees? Is it not a fact that the Madras Government spent more than 50 lakhs?

**Mr. Deputy-Speaker:** What the hon. Minister just now said is that they made claims. The States have to come forward with certain claims. You ask for more and more will be given to you.

**Shri P. N. Rajabhoj:** In view of what is given to the scheduled and aboriginal tribes, will the Government increase the amount for the welfare of the scheduled castes and backward classes?

**Shri Datar:** The scheduled castes might be backward.

**Shri P. T. Chacko:** May I know, Sir, whether any portion of this amount is spent for the welfare of the scheduled castes who have changed their religion?

**Mr. Deputy-Speaker:** How can castes change their religion?

#### COMMISSION UNDER ARTICLE 339

\*1008, **Shri Bheekha Bhal:** Will the Minister of Home Affairs be pleased to state whether Government propose to appoint a Commission under Article 339 of the Constitution in the near future?

**The Deputy Minister of Home Affairs (Shri Datar):** No such proposal is under consideration.

#### Short Notice Question and Answer

##### NIRMALA COLLEGE, DELHI (STRIKE)

**Shrimati Benu Chakravarty:** Will the Minister for Education be pleased to state whether it is a fact that the students of Nirmla College, Delhi are on strike because of:

- (i) the disallowing by the American College authorities of the recognised students Union according to the accepted Constitution;
- (ii) the Union funds amounting to about Rs. 50,000 being withheld by the Principal;
- (iii) a student by the name of Raj Bhatia having been kicked by an American teacher while he was peacefully picketing;
- (iv) the segregation into white and non-white staff rooms; and
- (v) separate and discriminatory scales of pay of the teachers?

**The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya):** (i) to (v). According to available information, the answer is in the negative in all the cases. The Principal has in fact expressed his astonishment at the allegation that a student was assaulted by a teacher and stated that it is unfounded. With regard to the charge that there are separate staff rooms and scales of pay for Indian and non-Indian teachers; this is not correct as the College is governed by the rules of the Delhi University which does not permit any discrimination in these matters.

Shrimati Renu Chakravarty: May I know why the Nirmala College was given over to the American authorities from the Central Government?

مستقر آف ایجوکیشن اینڈ نیچرل  
ریسرچ سائنٹیفک (ایچ۔ او۔ ایل)

آزاد: یہ کالج عارضی طور پر ریفرنڈم کے لئے کھولا گیا تھا۔ پرماتھت طور پر نہیں کھولا گیا تھا۔ گورنمنٹ نے فیصلہ کیا کہ اب اسے بند کر دیا جائے۔ اس وقت مین نے اپنی خدمات انرجی اور گورنمنٹ کے سروری شرطوں کے ساتھ منظر کر لیا۔

[The Minister of Education and Natural Resources and Scientific Research (Maulana Asad): This college was opened for the refugees temporarily and not permanently. When Government decided to close it, the Mission offered to take it over and the Government accepted this offer on certain essential conditions.]

Mr. Deputy-Speaker: They wanted to close the college which was originally intended for refugees. Later, on account of the refugees not turning in or on account of some other considerations, Government wanted to close the college. Then the American mission came forward to take charge of this college.

Shrimati Renu Chakravarty: May I know whether any assurance had been given that the professors of this college would not be retrenched or thrown out of their jobs?

Maulana Asad: Yes.

Shrimati Renu Chakravarty: Is it a fact that some of the Indian staff has already been retrenched or has had to quit?

Maulana Asad: No.

Shrimati Renu Chakravarty: Is it a fact that one Miss Lakhari, who was one of the members of the permanent staff was made to quit almost immediately after the new principal came over from America?

مولانا آزاد: ہمارے سامنے یہ بات نہیں آئی۔

[Maulana Asad: Not to my knowledge.]

Shrimati Renu Chakravarty: May I know the scales of pay which the teachers get?

Shri K. D. Malaviya: The scales of pay have been indicated in the chart that has been supplied.

Mr. Deputy-Speaker: The scales of pay are contained in the chart which will be placed on the Table.

Shrimati Renu Chakravarty: Is it a fact that one Ph.D. by name Dr. Sharma draws Rs. 400 and another American Ph.D. draws Rs. 800?

Mr. Deputy-Speaker: How can that be gone into here?

ڈاکٹر ایم۔ ڈی۔ مالویا: امریکن میسان

نے ہمارے اوپر اتنی بھرپوری کھپائی کی؟

مولانا آزاد: یہ سن سے بڑھتا ہے۔

[Maulana Asad: You had better ask the Mission.]

Mr. Deputy-Speaker: We cannot go into these details. There may be Ph.Ds. and Ph.Ds. One may have obtained the title, but he may not be as competent as another man who has obtained the same title.

Shrimati Renu Chakravarty: My point is this. The University prescribes certain scales of pay, and for persons who possess the same qualifications there is a uniform scale fixed. Therefore, I want to know why there is a discrimination here.

Mr. Deputy-Speaker: I am not going to allow this question. Can't there be a young Ph.D. of 25 years and an old Ph.D. of 50 years?

Shri H. N. Mukerjee: We have been told by Government that as far as the statements contained in the question are concerned, they have been found to be unfounded. May I enquire whether Government has reached this decision by a reference only to the Principal of the College concerned, or has Government taken into consideration the grievances of those who are really so aggrieved that they have come forward and are agitating in regard to the removal of those complaints?

مولانا آزاد: ہمارے یہ کہ گورنمنٹ

اس وقت بھی کر سکتی تھی کہ ہونہاروں سے بڑھ کر کالج نے پرنسپل سے بڑھ کر گورنمنٹ کے پاس جو

انفارمیشن آئی وہ ہاؤس کے آگے دیکھ  
دی گئی ہے۔ گورنمنٹ کوئی عدالت  
ابھی نہیں بنایا سکی تھی۔

[Maulana Azad: It is clear that Government at the time could enquire from the University and the Principal of the College only. The information gathered by Government has been placed before the House. Government could not set up a tribunal at the moment.]

Shri R. N. Mukerjee: Has Government made sure that there are not provisions in the College's scales of payment regarding allowances and all sorts of other things which lead to an invidious distinction as between the white and non-white members of the staff?

مولانا آزاد: یہودیوں سے پوچھا  
لیا تو انہوں نے کہا کہ اس طرح کا کوئی  
ایجاز اس میں نہیں ہے گورنمنٹ  
یہودیوں سے پوچھ سکتی ہے اور کہا  
کر سکتی ہے۔

[Maulana Azad: An enquiry was made from the University and it stated that there was no such discrimination. Government can only make an enquiry from the University, it can do nothing else.]

Shri P. T. Chacko: May I know whether the members of the staff of this College are paid at the rates prescribed by the University of Delhi?

Maulana Azad: Yes.

Shri P. T. Chacko: May I know whether the students gave any demand notice to the authorities before this strike?

مولانا آزاد: نہیں۔ یہودیوں  
انہارٹی کے پاس کوئی ایجنڈا نہیں  
تھے۔

[Maulana Azad: No. No Student approached the University authorities.]

डा० एन० बी० चकरे: हजूर, हमारे  
सवाल का जवाब नहीं मिला।

उपाध्यक्ष महोदय: उस का जवाब नहीं  
मिल सकता।

Dr Ram Subhag Singh: As the hon. Minister said that this College was handed over to the American Mission on certain conditions, may I enquire what those conditions are?

Mr. Deputy Speaker: That does not arise out of this Short Notice Question.

Dr. Ram Subhag Singh: No. But this was stated in the hon. Minister's reply. Therefore, I want to know the conditions in detail.

Mr. Deputy-Speaker: Somehow a certain question has been put and the answer to it has been given. I am not going to allow supplementaries on that.

Shrimati Renu Chakravarty: Is it a fact that up to a certain time there were separate staff rooms, one the Fathers' Room and the other a Staff Room?

مولانا آزاد: نہیں۔ چوتھ کچھ ہوس  
معلوم ہوا ہے اس کے مطابق تین کمن  
رومیں ہیں۔ ایک لیڈیز کے لئے۔  
ایک سائنس فیکلٹی کے پروفیسروں کے  
لئے اور ایک آرٹ کے لئے۔ اس میں  
انڈین اور نان انڈین کا کوئی فرق نہیں  
ہے۔

[Maulana Azad: No. According to our information, there are three common rooms—one for ladies, the second for professors of the Science Faculty and the third for Arts. There is no distinction of Indian or non-Indian.]

Shrimati Sucheta Kripalani: May I know whether friction has been going on between the college authorities and the Students' Union for quite a long time and some months back an incident took place in which an American professor is supposed to have kicked a student? So, it is not a new charge. This charge has been coming up again and again.

Mr. Deputy-Speaker: It is covered by part (iii) of the question.

Shrimati Sucheta Kripalani: No, Sir. The incident alleged in the short notice question took place recently, but I am referring to an incident that took place some time back when there was trouble between the Students' Union and an American professor, and a student was kicked by an American professor.



مولانا آزاد: کوئی بات اس طرح  
کی ضرورت سامنے نہیں ہے۔

[Maulana Azad: Not to my knowledge.]

Shri K. D. Malaviya: We have no information on the point referred to by the hon. Lady Member.

Shri Thana Pillai: May I know whether the strike was engineered by the Union controlled by political parties for ulterior purposes? Is the Government aware of this fact or not?

Mr. Deputy-Speaker: I won't allow any further questions. This question has been sufficiently answered.

#### WRITTEN ANSWERS TO QUESTIONS

##### SURVEY OF SYSTEMS OF EDUCATION

\*993. Shri S. N. Das: Will the Minister of Education be pleased to state:

(a) whether any organised efforts have been made by the Government of India to make a survey of various systems of education, experiments in which are being carried on in different States either by the Government or other private agencies;

(b) if the answer to part (a) above be in the affirmative, whether the survey has been completed and report published; and

(c) if not, whether there is any proposal under consideration to do so?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). The Central Government have been collecting information about promising educational experiments in the field of Primary, Basic, Secondary and Teachers' Education with the object of publishing brochures dealing with them, but full information is not yet available. As the hon. Member is no doubt aware, a detailed survey of Education at the University Stage has already been carried out by the University Education Commission, whose report is available in the Library of the House, while a similar survey of the field of Secondary education is now being carried out by the Secondary Education Commission recently appointed by the Government of India.

(c) Does not arise.  
309 PSD

##### WORLD BANK AUTHORITY

\*994. Shri S. N. Das: (a) Will the Minister of Finance be pleased to state whether the World Bank Authority who visited India some time back has submitted any Report and made any recommendations to the World Bank?

(b) If so, what are the important features of the Report and precise recommendation made by them regarding our various department projects?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) and (b). More than one International Bank delegation has visited India during this year in connection with different projects considered suitable for grant of loan assistance on which the Bank wanted to have investigations made. The reports which the delegations will submit or have already submitted, are to be treated as "restricted" documents as they are addressed to the Bank Management and it will not, therefore, be appropriate to disclose their contents.

##### CHRISTIAN HIGH SCHOOLS AND COLLEGES IN MANIPUR

\*1009. Shri Rishang Keisham: Will the Minister of Education be pleased to state:

(a) the number of Christian High Schools and Colleges now in existence in Manipur;

(b) whether any of these schools or colleges sought financial help from the Government and if so, what action Government have taken in the matter;

(c) whether religious instruction is being imparted in any of these institutions; and

(d) whether Government propose to take over the entire management of these institutions?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (d). The information is being collected and will be laid on the Table of the House.

##### MILITARY FUNDS

\*1010. Shri Gidwani: (a) Will the Minister of Finance be pleased to state whether it is a fact that large Military funds are still kept with Foreign Banks in India?

(b) Is it a fact that some of the Foreign Banks have entered into competition for deposits and are offering higher rates of interest for the purpose of sending funds to England?



(c) What is the quantum of flight of capital from India, through Foreign Banks, since the Bank of England raised its Bank rate to 4 per cent?

(d) Are the Income Tax Department authorised to examine the Books of Foreign Exchange Banks to see that no extraneous entries are passed for the purpose of evasion of Income Tax in their Foreign Exchange dealings?

**The Minister of Revenue and Expenditure (Shri Tyagi):** (a) Under the present rules only regimental funds can be kept outside the treasury or the Reserve Bank or the Imperial Bank of India against security deposits to be lodged by the bank concerned. The actual amount of regimental funds deposited by various Military units with Foreign Banks in India is not known, but the Reserve Bank has reported that the inspections conducted by the Reserve Bank have not revealed the existence of large Military funds with Foreign Banks.

(b) Some of the Foreign Banks as well as some Indian Banks have raised their rates of interest on deposits. The raising of the rates was in consonance with the general tendency for interest rates to rise in many countries and was not done for competitive purposes or for the purpose of sending funds to England.

(c) No flight of capital from India has taken place.

(d) Yes, Sir.

#### CONCESSIONS TO DISPLACED PERSONS

**\*1011. Prof. D. C. Sharma:** Will the Minister of Home Affairs be pleased to state the concessions given to displaced persons in regard to their employment in Government services?

**The Deputy Minister of Home Affairs (Shri Datar):** A statement specifying the concessions is laid on the Table of the House. [See Appendix VI, annexure No 3].

#### INDIAN STUDENTS IN AUSTRALIA

**\*1012. Prof. D. C. Sharma:** Will the Minister of Education be pleased to state:

(a) the number of Indian students studying in Australia at present;

(b) whether it is a fact that the Australian Government have banned the admission of Indian students in Australian Engineering Institutions; and

(c) if the answer to part (b) above be in the affirmative, the reasons therefor?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Asad):** (a) 34 Government Scholars. Figures regarding private students are not available.

(b) Government are not aware of any such ban. In fact four of the Government scholars have actually been sent for Engineering subjects and are studying in Australia.

(c) Does not arise.

#### TINNED ARTICLES

**\*1013. Prof. D. C. Sharma:** Will the Minister of Defence be pleased to state what is the value of the imported tinned milk, tinned butter and tinned cheese supplied to the forces?

**The Deputy Minister of Defence (Sardar Malhotra):** According to the average of the past three years, the value of tinned milk imported annually is Rs. 57,00,000 approximately. As regards, tinned cheese, so far our demands have been met from imported stocks available with firms in the country. The annual value of stocks consumed is Rs. 62,000/- approximately. Tinned butter is procured exclusively from indigenous sources.

#### OSMANIA UNIVERSITY (TRANSFER)

**\*1014. { Shri Heda:  
Shri P. Ramaswamy:**

(a) Will the Minister of States be pleased to state whether it is a fact that a resolution, urging the Government of India to examine the financial and educational aspects of the proposed transfer of Osmania University to the Centre was discussed in the Hyderabad State Assembly as tabled by an official member?

(b) Was the opinion in the Assembly forwarded to the Centre, and if so, what are the reactions of the Government of India?

(c) Is it a fact that the Government of India propose to appoint a new Committee in this connection?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) Yes.

(b) and (c). Yes. The Government of India have accepted the proposal that a committee of educational experts should be set up to examine the educational and allied questions relating to the proposed reconstitution of the University. A copy of the resolution setting up the Educational Experts Committee is placed on the Table of

the House. [See Appendix VI, annexure No. 4].

#### INDUSTRIAL FINANCE CORPORATION

\*1015. **Shri Morarka:** Will the Minister of Finance be pleased to state:

(a) the amount of loans given by the Industrial Finance Corporation to different companies (with names) till now;

(b) the names of the companies, if any, which have not been able to pay interest on the amount borrowed;

(c) the names of the companies who have failed to repay any instalment of such loan according to the arrangements; and

(d) the names of the companies, the management of which Government have taken due to such failure?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) to (c). In this connection, I would invite the attention of the hon. Member to the statements made by the Prime Minister in this House on the 27th November and 2nd December, 1952 regarding the disclosure of the names of individual loanes. Loans aggregating Rs. 15,22,70,000 were sanctioned by the Corporation against 103 applications upto the 31st October, 1952, out of which Rs. 7,95,72,405 were disbursed to 66 applicants. Upto that date, 5 concerns could not pay the interest and the instalments due, whereas 5 concerns defaulted in respect of interest only and 3 in respect of instalments of loan due.

(d) The Industrial Finance Corporation Act does not authorise the Government to take over the management of any such company.

#### ADVISORY COUNCILS

\*1016. **Shri Hem Raj:** Will the Minister of Home Affairs be pleased to state:

(a) the functions and powers of the Advisory Councils set up in different States for the betterment of scheduled areas and scheduled tribes;

(b) whether any grant has been sanctioned for the development of scheduled areas in the Punjab State and if so, what is the amount; and

(c) how and under whose supervision it will be spent?

The Deputy Minister of Home Affairs (Shri Datar): (a) I invite the

attention of the hon. Member to para 4(2) of the Fifth Schedule to the Constitution.

(b) A grant of Rs. 4.78 lakhs has been made during the current financial year under Article 275.

(c) The amount will be spent by the State Government on schemes approved by the Government of India.

#### RESIGNATION OF VICE-CHANCELLOR, DELHI UNIVERSITY

\*1017. **Shri Gidwaal:** Will the Minister of Education be pleased to state:

(a) whether Dr. S. N. Sen, the present Vice-Chancellor of the Delhi University has resigned his post; and

(b) If the reply to part (a) above be in the affirmative, what were the circumstances that led to it?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). Dr. S. N. Sen has resigned his post for personal reasons.

#### GRANTS TO WEST BENGAL

\*1018. **Shri N. B. Chowdhury:** (a) Will the Minister of Education be pleased to state what amount, if any, the Government of India have granted to West Bengal as grants to the Calcutta University in the current financial year?

(b) Do Government propose to allocate any more amount for the current financial year?

(c) If so, what is that amount?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Grants totalling Rs. 1,35,000/- have so far been paid by the Ministry of Education, during the current year, to the Calcutta University for its various Departments.

(b) and (c). The question of grants to the Calcutta University under the Five Year Plan and certain specific schemes for the development of scientific and technical education is under consideration.

#### TRAINING OF OFFICERS OF INCOME TAX DEPARTMENT

\*1019. **Shri B. S. Murthy:** Will the Minister of Finance be pleased to state whether any special training is given to officers of the Income-tax Department engaged in assessing the accounts of mineral producers and mineral dealers and if so, the nature of the training?

The Minister of Revenue and Expenditure (Shri Tyagi): No special training is given to officers of the Income-tax Department in assessing the accounts of mineral producers and mineral dealers. However, the assessment of accounts of various types of concerns and undertakings, including mineral producers and mineral dealers, forms part of the scheme of training prescribed for probationary Income-tax Officers. Apart from theoretical training, the probationers are taken on study tours to various industrial centres and centres of mineral and other production.

#### INCOME-TAX

410. Shri Dabhi: Will the Minister of Finance be pleased to state:

(a) the number of persons and organisations assessed to income-tax in each State for the year 1951-52;

(b) the total amount realized as well as estimated to be realized by way of income-tax in each State for the same year;

(c) the number of persons liable to pay super-tax in each State for the same year; and

(d) the total amount realized as well as estimated to be realized by way of super-tax in each State for the same year?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) to (d). A statement showing the required information is laid on the Table of the House. [See Appendix VI, annexure No. 5]

Figures shown in this statement under Part (b) include E.P.T. and B.P.T. which are taxes on income for the purposes of Article 270 of the Constitution.

#### DISPLACED CENTRAL GOVERNMENT SERVANTS

411. Shri H. N. Mukerjee: Will the Minister of Home Affairs be pleased to refer to the reply to parts (b) and (c) of Starred Question No. 2343 asked on the 30th July, 1952, and state what steps have been taken to implement the assurance given in part (c) of the aforesaid reply?

The Deputy Minister of Home Affairs (Shri Datar): The orders issued in February 1950, which were mentioned in the answer to part (b) of the Question referred to by the hon. Member, made it clear that the officers covered by the orders would be eligible to have their pay refixed, with

effect from the 1st January 1947, under the Central Civil Services (Revision of Pay) Rules, 1947. The orders also provided that, if necessary, the required number of supernumerary posts would be created for the accommodation of the officers so covered.

#### MANIPUR STATE TRANSPORT

413. Shri L. J. Singh: Will the Minister of States be pleased to state:

(a) the capital invested so far in the Manipur State Transport;

(b) whether it is an earning concern or not;

(c) what is the balance sheet of the profit and loss of that concern;

(d) the number of trucks and buses so far purchased;

(e) the procedure of procurement of these trucks and buses, and the manner of selection of the supplying firm or firms—whether by inviting tenders from the intending firms or by what arrangements; and

(f) the names of the supplying firms?

The Deputy Minister of Home Affairs (Shri Datar): (a) to (f). The information is being collected and will be laid on the Table of the House in due course.

#### NATIONAL ART GALLERY

414. Sardar Hukam Singh: (a) Will the Minister of Education be pleased to state whether any, and if so, what, pieces of ancient and contemporary art were acquired and preserved in the National Museum or the National Art Gallery during 1952?

(b) What amount of money was spent during 1951 and 1952 for this purpose?

The Minister of Education and Natural Resources and Scientific Research (Manilana Azad): (a) A statement is placed on the Table of the House. [See Appendix VI, annexure No. 6]

(b) A sum of Rs. 1,80,320 was spent during 1951 and a sum of Rs. 60,313 during 1952.

#### INCOME-TAX ASSESSMENT

415. Paadit Munishwar Datt Upadhyay: Will the Minister of Finance be pleased to state:

(a) how many cases of assessment were in arrears in the years 1939, 1947, 1949 and 1951;

(b) the total number of members of staff of different grades employed in the Assessment Section of the Income-Tax Department; and

(c) the total number of cases of evasion in the years 1939, 1947, 1949 and 1951?

**The Minister of Revenue and Expenditure (Shri Tyagi):** (a) Figures for calendar years are not available as statistics are maintained by financial years. The number of assessments in arrears including cases brought forward from preceding years at the end of the years 1947-48, 1949-50 and 1951-52 was 3,57,575, 3,91,794 and 4,24,786, respectively.

Information for the year 1939-40 is not readily available.

(b) The staff employed in assessment section in the Income-tax Department in 1951-52 were

Incometax Officers 880  
Ministerial approximately 4200.

(c) Information for calendar years is not available as statistics are maintained by financial years. According to the available data there were 4354 cases of tax evasion in the year 1949-50 and 4572 such cases in the year 1951-52. The information for the earlier years is not available. In addition, voluntary disclosure has been made in 20,475 cases upto September 1952.

#### MACHINE TOOL PROTOTYPE FACTORY

**416. Shri S. C. Samania:** Will the Minister of Defence be pleased to state:

(a) the location of the proposed Machine Tool Prototype Factory;

(b) when it is expected to be completed;

(c) how many students have come out successful from the Artisan Training School attached to it;

(d) how many students will be taken in each year in this institution; and

(e) whether the successful candidates will be absorbed in the factory or they will have to be employed elsewhere?

**The Deputy Minister of Defence (Sardar Malhotra):** (a) Ambarnath, near Bombay.

(b) By the end of 1952.

(c) None so far, as the course was started only in 1950 and its full duration, including both theoretical and practical training is 5 years. The first batch of fully trained persons will be available in 1955.

(d) Upto a maximum of 100. The recruitment in the first two years has fallen a little short of 100.

(e) The course is intended to cater first for the requirements of the Machine Tool Prototype Factory and later for the other Ordnance Factories. A majority of those successful in the earlier courses will be employed in the Machine Tool Prototype Factory itself and the others in the remaining Ordnance Factories which too need a large number of skilled workers.

#### BALANCE OF PAYMENTS

**417. Sardar Hukam Singh:** (a) Will the Minister of Finance be pleased to state the Balance of Payments in respect of Trade as well as other obligations of India, during each of the last five years with:-

(i) countries of the British Commonwealth, like Canada, Australia, New Zealand, the Union of South Africa and the United Kingdom;

(ii) the United States of America;

(iii) other countries of North and South America;

(iv) countries of the Near East, i.e., Turkey, Iran, Egypt, and Arabia;

(v) European countries of Belgium, France, Germany, Holland, Italy and Spain;

(vi) the U.S.S.R.; and

(vii) countries of Asia, viz., Burma, China, Indonesia and Japan?

(b) What steps, if any, have been taken by Government to encourage the trade with those of the countries listed above, with which our Balance of Trade (or of International Payments) is in favour of India, whether by way of fiscal or financial regulations, treaties or otherwise?

(c) What was the import, or export (as the case may be) of Bullion (Gold and Silver), or taking or making loans from or to any of these countries, for the purpose of settling the Balance of Accounts with any of these countries in any of the last five years?

**The Minister of Revenue and Expenditure (Shri Tyagi):** (a) (i) (ii) (iii) (iv) (v) (vi) (vii). A statement is laid on the Table of the House, giving the figures from the calendar year 1948. [See Appendix VI, annexure No. 7.]

(b) Excepting with the U.K., with whom India has had a consistent unfavourable balance, India's balance of payments position with the countries mentioned in (a) has been both favourable and unfavourable during the past. For the promotion of our trade, the measures given below have,

however, been taken with respect to many countries, irrespective of their favourable or unfavourable payments position with us.

- (1) Conclusion of trade agreements or trade arrangements;
- (2) Publicity of Indian products and Manufactures through exhibitions and fairs;
- (3) Publicity through show-rooms organised in the office premises of Indian Missions abroad;
- (4) Sponsoring of visits of Indian businessmen to foreign countries to establish direct contacts with importers in those areas of goods similar to those manufactured or produced in India;
- (5) Creation of interest in Indian goods through personal contact by Indian Government Commercial representatives in the respective countries.

(c) No portion of the adverse balance of payments has been settled by direct payments of Gold or Silver.

India has however utilised an amount of \$348 m. approximately by way of loan from the International Bank of Reconstruction and Development, the Export-Import Bank of the U.S.A. and purchases of U.S. dollar from the International Monetary Fund in order to settle her Balance of payments with the dollar area, besides utilising her accumulated Sterling Balances to the extent of Rs. 816 crores between Jan. 1948 and Nov. 1952. India's gold and dollar earnings from part of the Central Reserve of gold and dollar of the Sterling Area and her gold and dollar deficits are met from this Reserve During the period Jan. 1948 to June 1952, India has been a net beneficiary from the Central Reserve to the extent of approximately \$ 300 million.

#### PENSION CODE

418. **Shri A. N. Vidyalkar:** (a) Will the Minister of Defence be pleased to state whether it is a fact that while Government have recently revised the pay scales of the military personnel, the Pension Code remains still unrevised, and the old Pension Code is still in force?

(b) Is it also a fact that a large number of class II officers have not been confirmed yet and their status remains still temporary?

(c) Is it a fact that there is much discontent on these two points, and repeated assurances from the authorities have not materialised?

(d) Do Government contemplate revision of the Pension Code, and is it intended to confirm most of the temporary class II officers in their present rank and if so, how long would it take to do so?

**The Deputy Minister of Defence (Shri Satish Chandra):** (a) Yes.

(b) Yes.

(c) No, Government have no reason to think that there is much discontent, nor are they aware of any assurance given by them, which has not been carried out.

(d) Attention is invited to the reply given in the House of the People on the 7th July 1952, to Starred Question No. 1517. As already stated then, Government have under their examination the report of the Departmental Committee set up to review the pensionary rules of the personnel of the Armed Forces. These rules are numerous and complex and their revision involves considerable financial implications. It has not been found possible as yet to complete the detailed examination of the Committee's recommendations and to reach final conclusions on various aspects of the revision of the present pension code. Although Government's decision on all the recommendations made by the Committee will necessarily take very considerable time, it is hoped that decision on the more important recommendations will be reached shortly.

It is not clear in what way the question of confirmation of temporary officers of Class II is linked with the revision of the Pension Code. For the information of the Members it may be stated generally that Class II temporary officers who are considered to be fit for confirmation will be confirmed, to the extent that permanent vacancies in the grade are available.

#### CENTRAL COUNCIL ON BLINDNESS

419. **Shri S. C. Samanta:** Will the Minister of Education be pleased to state:

(a) whether the proposed Central Council on blindness has been established;

(b) if so, when;

(c) whether Government have any statistics of the blind in India;

(d) how many non-official organisations are working in India to prevent blindness; and

(e) whether these organisations are receiving any help or facilities from Government?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** (a) No, Sir.

(b) Does not arise.

(c) No up-to-date statistics are available.

(d) Thirty, according to the information available.

(e) Exact information is not available, but it is understood that in the majority of cases, State Governments do give some help.

#### GIFTS TO EDUCATIONAL INSTITUTIONS

**420. Dr. Rama Rao:** Will the Minister of Education be pleased to state:

(a) how many educational institutions in India received gifts from various foreign sources in the past three years;

(b) whether Government will place on the Table of the House a statement showing the donors, value and recipients of the gifts, with particular reference to those which are received through the UNESCO;

(c) whether the gifts were earmarked for the particular institutions concerned, or they were sent to the Government of India for distribution according to their discretion;

(d) if it was the former, why the Government of India accepted these gifts; and

(e) if it was the latter, what were the reasons for the Government of India to have allotted these gifts to the particular institutions concerned?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** (a) to (e). A statement is laid on the Table of the House. [See Appendix VI, annexure No. 8]

#### SCIENTIFIC AND CULTURAL HISTORY OF MANKIND

**421. Shri Telkikar:** Will the Minister of Education be pleased to state:

(a) whether the work of compiling the "Scientific and cultural history of mankind", undertaken by the UNESCO, has begun;

(b) if so, the personnel of compiling body;

(c) how far the work has progressed; and

(d) when it is expected to be completed?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** (a) Yes.

(b) The Editorial Committee is constituted as follows:

1. Dr. Ralph Turner (United States of America);

2. Prof. R. C. Majumdar (India);

3. Prof. Charles Moraze (France);

4. Mr. Sylvio Zavala (Mexico);

5. Prof. Coustantine Zurayk (Syria).

(c) The volume dealing with the prehistoric times, the history of ancient times and the history of China, India and Latin America is expected to be printed in a Quarterly Journal in March, 1953.

(d) In January 1957.

#### NAVIGATION SCHOOLS

**422. Shri Telkikar:** Will the Minister of Defence be pleased to state:

(a) the number of Navigation schools giving Naval training in India; and

(b) the different courses and qualifications required for them?

**The Deputy Minister of Defence (Shri Satish Chandra):** (a) There is only one Navigation School for the Indian Navy and it is situated at Cochin forming part of the Naval Training Schools.

(b) A statement is placed on the Table of the House.

#### STATEMENT

At present the following courses are undertaken in the Navigation School. The qualifications required are mentioned against each.

| Course                                   | Qualifications required.                                                                                                                                      |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Radar Plotter 3rd Class.             | (i) Ordinary/Able Seaman who volunteer.                                                                                                                       |
| (ii) Upper Yardmen Navigation Course.    | (ii) Recommendation of suitability by Commanding Officers.<br>(Ratings are sent for this course subject to their availability and exigencies of the service). |
| (On promotion to Ag. Sub. Lieut.)        | (iii) This course is part of Specialized Training for Upper Yardmen.                                                                                          |
| (iii) Senior Officers' Refresher Course. | Officers are sent for this course on recommendation from their respective Commanding Officers.                                                                |

- (iv) Junior Officer's Refresher Course. Officers are sent for this course on recommendation from their respective Commanding Officers.
- (c) Fleet Reservists Training. No special qualifications required. Reservists of the Radar Plotter Branch undergo this course as part of their training.
- (vi) Navigation course for Branch List candidates. No special qualifications required. Ratings selected for Branch rank undergo this course as part of the Technical Courses they have to pass.

#### FOREIGN CAPITAL INVESTED IN SUGAR FACTORIES

423. **Shri B. N. Roy:** Will the Minister of Finance be pleased to state the amount of subscribed foreign capital invested in sugar factories in India at present?

The Minister of Revenue and Expenditure (Shri Tyagi): Government have no information about the amount of subscribed foreign capital invested in sugar factories at present, but the amount of paid up capital owned abroad in Indian joint stock companies in the sugar industry was Rs. 59.4 lacs as on 30th June, 1948.

#### IMPERIAL BANK OF INDIA

424. **Shri H. G. Valsarav:** (a) Will the Minister of Finance be pleased to state whether it is a fact that the Imperial Bank of India has decided to open branches at several places in the Hyderabad State before the beginning of the next financial year and if so, how many and where?

(b) Will they be functioning as the Government Treasury Agencies and if so, what would be the function of the Hyderabad State Bank?

The Minister of Revenue and Expenditure (Shri Tyagi) (a) No. Sir.

(b) Does not arise.

#### SCHOLARSHIPS TO BACKWARD CLASS STUDENTS

425. **Shri Kachirovar:** Will the Minister of Education be pleased to state the number of Government of India scholarships that have been awarded to Backward Class students in Madras State for the year 1952-53?

The Minister of Education and Natural Resources and Scientific Research (Maulana Asad): 741 scholarships have so far been granted for the year 1952-53 to students from Madras of the Backward Classes which term includes Scheduled Castes, Scheduled Tribes and Other Backward Classes. 327 more scholarships are likely to be awarded shortly.

#### SELF SUFFICIENCY IN MOTOR SPIRIT

426. **Shrimati Suchela Kripalani:** (a) Will the Minister of Natural Resources and Scientific Research be pleased to state what steps Government are taking to ensure self-sufficiency in motor spirit?

(b) Have Government any proposal to manufacture motor-spirit from coal?

(c) Is it a fact that Government instituted a special survey of low-grade coal suitable for this purpose?

(d) How long ago was this survey conducted?

The Minister of Education and Natural Resources and Scientific Research (Maulana Asad): (a) The Government have under consideration the following steps to attain self-sufficiency in motor-spirit:—

(1) Geological and Geophysical prospecting for new resources of oil in the country.

(2) Development of petroleum refining industry using imported crude petroleum.

(3) Increasing production of power alcohol.

(4) Use of alcohol-petrol mixtures in place of neat petrol.

(b) Laboratory and small-scale experiments for production of synthetic oil from coal have been carried out at the Fuel Research Institute, Dhanbad. The small-scale trials will have to be tried out on a large scale before plans for production on a commercial scale can be drawn up.

(c) and (d). A survey of low-grade coal of Bihar and Bengal was undertaken by a special survey party of the Geological Survey of India in 1948.

#### GEOLOGICAL SURVEYS OF MADHYA BHARAT AND RAJASTHAN

427. **Shri N. L. Joshi:** Will the Minister of Natural Resources and Scientific Research be pleased to state whether any geological surveys of Madhya Bharat and Rajasthan were undertaken by Government and if so, when and with what results?

The Minister of Education and Natural Resources and Scientific Research (Maulana Asad): Informa-

tion is being collected and will be laid on the Table of the House when received.

#### PENSIONERS

428. Shri N. L. Joshi: Will the Minister of Finance be pleased to state:

(a) the number of those retired Government servants who have not received their pension orders although the period of their retirement has begun:—

- (i) more than five years back,
- (ii) five years back,
- (iii) four years back,
- (iv) three years back,
- (v) two years back,
- (vi) one year back; and

(b) what steps Government have been taking to expedite the cases?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) I am afraid the collection of this information will entail a disproportionate amount of time and labour as it can only be collected by a reference to all Heads of Offices scattered throughout India.

(b) The rules already lay down a procedure which, if observed properly, would ensure every Government servant to start drawing his pension immediately on his retirement. Delays have recently been occurring for a variety of reasons, as for example, lack of relevant records in the case of persons who formerly served in the territories now in Pakistan or in the former Indian States and omission on the part of Administrative Officers to submit complete pension papers to audit in time. Instructions have been issued from time to time emphasising the need and importance of expeditious submission and settlement of pension cases. The issue of fresh instructions in this respect is also under consideration. The Comptroller and Auditor General on his part has given special instructions to Heads of Offices under him for the quick disposal of cases received by them. Finally, where unavoidable delay is apprehended in the final settlement of cases, anticipatory pension is, as a rule, sanctioned to avoid hardship to the Government servant concerned.

#### PAY SCALES OF GOVERNMENT EMPLOYEES OF TRIPURA

429. Shri Damodar Deb: (a) Will the Minister of States be pleased to state whether it is a fact that the reorganisation of the pay scales of Government employees of Tripura, has not yet been implemented as per the assurance given in the House during the last session?

(b) Is it a fact that many Class IV Government employees will be losers according to this scheme?

(c) Is it a fact that a Taluk Chowkidar in Tripura draws today Rs. 8/- p.m. as his basic pay?

(d) Do Government contemplate the grant of any compensatory allowance to Tripura Government Employees and if so, when will it be paid and how will this expenditure be met?

The Deputy Minister of Home Affairs (Shri Datar): (a) The Member presumably is referring to the answer given on the 14th July, 1952 to Shri Biren Dutt's Unstarred Question in the House of the People No. 399. The proposals for the reorganisation of the ten Departments mentioned therein are still under consideration and final orders are expected to be issued shortly.

(b) No.

(c) Yes.

(d) The proposal for the grant of compensatory allowance to the employees serving under the Government of Tripura is under consideration.

#### LOANS TO ORISSA

430. Shri Sanganna: Will the Minister of Finance be pleased to state:

(a) the total amount of loans granted to the Government of Orissa under various counts during each year of the last five years;

(b) the total amount of interest accrued on those loans;

(c) whether any payments have been made towards the discharge of the loans and interest thereof;

(d) whether default was made in payment of any instalments; and

(e) what is the outstanding balance under different items of loans and of the interest thereon?

The Minister of Revenue and Expenditure (Shri Tyagi): (a) to (c) and (e). A statement is laid on the Table of the House [See Appendix VI, annexure No. 9]

(d) No, Sir.



## PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

## OFFICIAL REPORT

1819

1820

## HOUSE OF THE PEOPLE

Monday, 8th December, 1952

The House met at a Quarter to Eleven  
of the Clock

[MR. DEPUTY-SPEAKER in the Chair]

## QUESTIONS AND ANSWERS

(See Part I)

11-53 A.M.

## MOTIONS FOR ADJOURNMENT

Shri N. Sreekanth Nair (Quilon  
cum Mavelikkara) rose—

Mr. Deputy-Speaker: Order, order.  
Will the hon. Member resume his seat?

Shri N. Sreekanth Nair: On a point  
of information, Sir. There is an ad-  
journment motion.

Mr. Deputy-Speaker: The hon. Mem-  
ber need not be in a hurry.

I am coming to the adjournment mo-  
tions.

Shri Nambiar (Mayuram): But  
there is one on the very same subject.

Mr. Deputy-Speaker: That one was  
already disallowed the day before yes-  
terday.

Shri Nambiar: No, Sir.

Mr. Deputy-Speaker: Of course, it  
was. Hon. Members must watch the  
Proceedings, or read the printed deba-  
tes. The day before yesterday I disal-  
lowed the adjournment motion and I  
allowed this Short Notice Question  
which has just been concluded. That  
question has been more than sum-  
ciently answered.

392 PSD

EVICTION NOTICES ON REFUGEES IN  
BANDHABNAGAR COLONY

Mr. Deputy-Speaker: There is an ad-  
journment motion by Shrimati Renu  
Chakravartty. It was held over till to-  
day. Has the Government got to make  
any statement?

The Minister of Rehabilitation (Shri  
A. P. Jain): I have made enquiries in  
regard to the Bandhabnagar colony.  
This colony has been set up in an area  
near Dum Dum. This area was  
squatted upon about the mid-  
dle of 1950. Nearly 500 families  
of displaced persons are there in this  
area and on the portion which is pro-  
posed to be acquired, there are living  
between 200 and 300 families. The land  
proposed to be acquired is needed by  
the Defence Ministry for setting up a  
wireless transmitter. A notice was issu-  
ed under the Requisition and Acquisi-  
tion of Immovable Property Act some  
time ago to show cause why the pro-  
perty should not be acquired. The ob-  
jections made on behalf of the refugees  
were rejected. No objection was filed  
on behalf of the Secretary of the co-  
lony. On the 15th of November, the  
Collector of 24 Parganas, who is  
the competent authority, passed  
an order that the possession of  
the land should be handed over by  
the 15th December. All objections that  
were legally filed have been rejected  
by the Collector some time ago. The  
colonists, however, filed a petition be-  
fore the Collector on Saturday the 6th  
December 1952 saying that they had  
made an appeal to the appellate autho-  
rities of the Defence Ministry, New  
Delhi, and requesting that the proceed-  
ings may be stayed till the appeal is de-  
cided. The Collector has not passed  
any order for staying the proceedings.  
No ejectment, in any event, is going to  
take place before the 15th of Decem-  
ber. Under section 10 of the relevant  
Act, the Central Government have the  
power to stay the proceedings. Sub-  
Section (3) of Section 10 says:

"The Central Government may  
stay the enforcement of the order  
of the competent authority for

such period and for such conditions as it deems fit".

The appeal is pending before the Defence Ministry. The Defence Ministry will take all the facts into consideration in both passing an order for stay and also for finally deciding the case. I have made enquiries and the reason why the Defence Ministry have chosen this particular piece of land is that it adjoins another piece of land which already belongs to the Ministry of Defence and these two pieces together will be used for setting up a wireless transmitter.

Bandhabnagar colony is one of the 66 squatters' colonies in West Bengal which we have selected for regularization. In the event of the Defence Ministry finally deciding upon the acquisition of land, my Ministry, under a well defined policy, will give alternative accommodation to these persons.

**Shrimati Renu Chakravartty (Basirhat):** The hon. Minister said that a wireless transmitter is going to be installed. There is enough land on the other side for the Defence Ministry to take over. This colony was a waste land in which there was knee deep water and now this land has been improved by the refugees, schools have been set up and tube wells have been sunk. Since there is enough place on the other side, would it not be right that we should ask the Defence Ministry to look into the whole matter and stay the eviction?

**Mr. Deputy-Speaker:** This is an adjournment motion. I have heard both the sides. The hon. Minister has given an assurance that the whole matter will be looked into by the Defence Ministry. We are only on the 8th not 15th. No orders will be passed. The matter is before the Defence Ministry. I am sure the hon. Defence Minister will take note of all the facts that have been listed. No further representation is to be made in this behalf and proper orders will be passed. In view of this assurance, the adjournment motion is unnecessary.

**Shrimati Renu Chakravartty:** 15th of December—there is very short time and I feel that there is every chance of their being evicted. Therefore, I should like to have some sort of an assurance from the Defence Ministry that they will do everything possible for not evicting them.

**Mr. Deputy-Speaker:** It is not possible for Parliament to give any directions. The hon. Minister of Rehabilitation has said that if the Defence Ministry decides that the land should be acquired, alternative accommodation

12 Noon

will certainly be provided for. Parliament cannot itself take up the responsibility of choosing except laying down policies. In case the Defence Ministry, for reasons of safety, find it necessary to acquire this area, every step will be taken to see that no hardship is caused to these people and they will be provided with alternative accommodation. In view of this assurance, it is unnecessary. I do not allow this adjournment motion.

**Shri H. N. Mukerjee (Calcutta North-East):** In view of the possibility that the Rehabilitation Ministry can very easily satisfy itself regarding the work of the refugees in regard to making Bandhabnagar colony habitable, will the Rehabilitation Ministry give an assurance that that being so, the Ministry of Defence would be requested to move on to other areas in order to secure.....

**Mr. Deputy-Speaker:** The Ministry of Rehabilitation is the guardian of all the refugees. It will certainly do all that is necessary to see, as far as possible that distress is averted.

**Shrimati Sucheta Kripalani (New Delhi):** May I draw the attention of the hon. Minister to the fact that the notice which is in the name of the secretary to the colony was not served on him but to an unauthorised person?

**Mr. Deputy-Speaker:** All that has been said.

**Shrimati Sucheta Kripalani:** There is a legal aspect of the notice.

**Mr. Deputy-Speaker:** Order, order. When this adjournment motion originally came out, these matters were referred to. The hon. Minister also said there was some exception taken to the manner in which the notice was served. It was served to a wrong person. All that has been said on the floor of this House. That was not from you. Now the Minister of Rehabilitation is fully aware of the difficulties of the situation, of the hardships that may be caused. Everything possible will be done to see that in any case alternative accommodation is provided.

**Shri N. Sreekantan Nair:** I was under the impression that my adjournment motion was not ruled out. Today I thought I would get a chance of asking a question on a matter which I felt to be very important. I feel justice has not been done to me.

**Mr. Deputy-Speaker:** The hon. Member must watch the proceedings of the

House. It was ruled out and then this question was admitted so as to be elucidated. The hon. Member has not been able to catch my eyes. I have allowed a lot of supplementaries over this matter.

**Shri N. Sreekantan Nair:** I felt it is important.

**Mr. Deputy-Speaker:** I am glad.

**Shri N. Sreekantan Nair:** I do not know what I should do.

**Mr. Deputy-Speaker:** It is not possible to satisfy every hon. Member. There must be some time limit to these questions. I allow sufficient time.

#### GRAVE CONDITION OF SHRI SRIRAMULU

**Mr. Deputy-Speaker:** Now I will proceed to some other matter before the House. I have received notice of an adjournment motion that the business of the House may be adjourned to discuss a matter of urgent public importance namely the situation arising out of the grave condition of Shri Putti Sriramulu who is on fast for the formation of an Andhra State. There is no doubt that it is a serious thing. The life of an individual is precious but on a prior occasion a similar matter came before the House. Another gentleman, equally important, in Andhra Desa, started something like a strike for the purpose of inducing the Central Government to form an Andhra State. Whether such actions should be adopted for the purpose of forcing the formation of a State is not a matter with which I or the Speaker can agree. Anyhow I will close this after the hon. Prime Minister makes any remarks on this matter.

**Shri B. S. Murthy (Eluru):** The person is on his death bed, Sir.

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** As you have said, Sir, the life or death of any individual is always a serious matter and one should not consider any such subject, that is to say where the life of a person is involved, in a light way, but with all respect to the sentiment. I will say this that bringing pressure of such a kind on very major decisions would, if acceded to, put an end to the authority of Parliament and of democratic procedure. I recognise—and I have no doubt that the House recognises—on the one hand the importance of a person possibly losing his life. On the other hand we have also to appreciate the issue on which he is fasting. I do submit that it is quite impossible to deal with that

matter in this fashion—it cannot be done. It should be approached differently and I would appeal to those who are interested in this matter and to the gentleman who is fasting, to try to endeavour, to achieve his object by better ways, more legitimate ways. I am very sorry for him. The adjournment motion says that we should try to save his life by Government immediately coming to a major decision about a major matter overnight. Surely, no Government and no Parliament can accept that. I submit, as an adjournment motion, one can hardly deal with this matter here.

**Dr. Rama Rao (Kakinada):** The condition of Mr. Sriramulu is very serious—he is practically dying. From the reports coming from all over Andhra, it is evident that this matter is exercising the minds of all parties there. In English papers you may not find much space devoted to this matter. But all the Andhra papers—whether it is Communist or Congress—are giving a lot of space for this matter. In this matter they are all agreed. It is causing a lot of anxiety all over Andhra and the Government are showing a callous attitude.....

**Mr. Deputy-Speaker:** I am afraid I cannot allow any further discussion—it is really unfortunate. As the hon. the Prime Minister has said, such major issues ought not to depend on the volition of an individual even though he may be prepared to sacrifice his life. It is potent of serious consequences and I do not want to create a precedent of such a matter being brought up.

If this principle is conceded any of the various citizens of this country can force the hands either of Parliament or of the Government by taking to such means. Those persons who are interested will certainly persuade him to give it up and resort to other methods for achieving this end.

The adjournment motion is ruled out of order.

**Several Hon. Members rose—**

**Mr. Deputy-Speaker:** Every sympathy has been shown by the Prime Minister for the gentleman as well as the cause of the individual. But, unfortunately, such issues cannot be decided by such motions. Therefore, I do not want to hear anything more about this adjournment motion.

**Shri Ramachandra Reddi (Nellore):** The answer given by the hon. the Prime Minister has not at all been satisfactory. I wish to say.....

**Pandit Balkrishna Sharma** (Kanpur Distt. South cum Etawah Distt. East): Are you permitting any discussion on that now?

**Mr. Deputy-Speaker:** I am not allowing any more discussion on that matter—I am sorry.

**Shri Ramachandra Bodd:** I have a suggestion to make for your consideration.

**Mr. Deputy-Speaker:** I cannot allow any more representations to be made. The proper authority is the Government. They must seek the aid of Government. Hon. Members may not be satisfied with the statement made. So far as this House is concerned, this remedy is not open.

**Dr. Lanka Sundaram** (Visakhapatnam): Great anxiety has arisen in Andhra Desa.....

**Mr. Deputy-Speaker:** Hon. Members are Members of this House. The hon. the Leader of the House—the Prime Minister—is aware of the situation. There are certainly other methods as the Prime Minister has said. They can approach him and try to solve the many difficulties which he has placed before the House on a prior occasion. If the way is paved, I am sure this matter will be considered.

**Dr. Lanka Sundaram:** There are *hartals* in major cities and towns in Andhra Desh. Thousands of students have come out of schools and colleges; hundreds of telegrams have been sent to us; I do not think.... (Interruption).

**Mr. Deputy-Speaker:** Order, order. I am sorry, notwithstanding all this, the situation cannot be remedied by an adjournment motion.

**Dr. Lanka Sundaram:** We are here by the grace of the people of Andhra Desh and we are accountable to them. We have got to protest at this unreasonable attitude. I walk out.

**Some Hon. Members:** We walk out.

**Shri H. N. Mukerjee:** Before walking out I want to make a statement.

**Mr. Deputy-Speaker:** Hon. Member can take any measure they like. I will not allow any more discussion on this matter. If hon. Members think.....

**Shri H. N. Mukerjee:** Will you permit us to put it on record?

**Mr. Deputy-Speaker:** This is not a matter for publicity. I am afraid they are tackling a serious matter—the life of a person and the formation of a

State—by means which are not legitimate and proper.

**Shri H. N. Mukerjee:** I walk out.

**Mr. Deputy-Speaker:** This is rather unfortunate.

## PAPER LAID ON THE TABLE

### FIVE YEAR PLAN

**The Prime Minister and Minister of External Affairs** (Shri Jawaharlal Nehru): I have the honour and privilege to present to Parliament and to lay on the Table of the House a copy of the Report of the Planning Commission containing the first Five Year Plan. [Placed in Library. See No. IV A.2 (6)]. At the present moment it consists of two rather bulky volumes. I regret that they are not printed but in a mimeograph form. We thought that it would be convenient to hon. Members to deal with this at this stage, the printed copies to be supplied when they are ready. I hope that in the course of a day each hon. Member will be supplied with these two light-weight volumes for their consideration.

In these volumes the first few chapters deal with the general structure and the general principles of the Plan and later they go to some details. It is proposed a few days later to issue a supplement containing details of certain development schemes, and somewhat later still another supplement volume containing details of various industries and programmes of industrial development. They are minor details—which are important, of course—but which do not relate to the main structure of the Plan.

Now, because this Report necessarily is rather bulky and big, the Planning Commission is taking steps to facilitate the consideration of the Report by issuing various summaries. A small summary is being produced today which will be given out to the Press. The whole report will be issued to the Press and the public today. In addition, a summary, not a very small summary, nevertheless some kind of a summary, will be available to the Press and this House also. A summary—I would call it an authorised summary of the Plan—will appear. I hope, in the course of the next three or four days, apart from the summary which is being issued to the Press and that also will be available to Members of the House. Later it is proposed to issue a shorter version of the Plan, that is in book form in print, more or less for popular use, probably about 300 printed

pages. But that will take a little time before it is got ready. It is also proposed to issue a number of pamphlets, etc. At the moment I place this before the House and I suggest that we might take this Report into consideration on Monday next, the 15th December.

**Shri A. C. Guha (Santipur):** For how many days will the debate go on?

**Shri Jawaharlal Nehru:** I would suggest three days.

**Shri A. C. Guha:** Five days.

**Shri Jawaharlal Nehru:** A report of this kind can easily be discussed for three weeks with profit. It has taken, if I may say so, very hard labour on the part of the Planning Commission. Two years' hard labour these volumes represent, and more particularly during the last two or three months it has been very heavy work indeed.

I realize the desire, I am in the hands of the House. So far as the Planning Commission are concerned, they would like to have the fullest benefit of the consideration of this House, and it is only the difficulty of finding more time that led me to say three days. If it is possible to extend that period somewhat, and the House so desires, we shall try to do so.

**Some Hon. Members:** Five days.

**Shri Jawaharlal Nehru:** If it is five days, that will be slightly.....

**Mr. Deputy-Speaker:** May I suggest a compromise? We can sit somewhat longer.

**Shri Jawaharlal Nehru:** I am prepared to sit longer, and if it is convenient, the House can have an extra day. Because, it really goes so near to the last date of the session, and one would like a day or two towards the end for urgent work. However, this matter might be considered by the House later. We need not have any rigid time-table about that.

But I would suggest to the House, if I may, that the discussion to which we attach great importance the discussion in this House of this Report—might largely concern itself with the basic principles, the main structure, rather than the smaller details, because we will get lost in the details. And, although this Report is for the moment the final product of the Planning Commission, indeed as the Report itself says towards the end, there can be no such thing as any ultimate finality: because, planning is a dynamic process, and it will be open to Parliament or to Government to look into things and whenever necessary to vary things. Nothing can be laid down as

if it cannot be changed later. And if any particular subject contained in this Report requires further discussion, that can always take place—that particular subject in that form later. But I would submit that this House should consider more specially the basic approach, the principles governing this Plan and the main structure of the Plan. If that is assured and if the House agrees to that, then the other matters can be considered in many forms later also.

**Mr. Deputy-Speaker:** I may inform hon. Members that as soon as they go out they can take copies of the Report from the Notice Office so that they will have a week's time before them. As the hon. the Prime Minister has said, if it is necessary another day may be added for its discussion. I am willing to sit sometime longer, to come at ten o'clock in the morning and go at six o'clock in the evening.

**Some Hon. Members:** There may be no questions on those days.

## ELECTIONS TO COMMITTEES

### PUBLIC ACCOUNTS COMMITTEE

**The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to move:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (1) of rule 197 of the Rules of Procedure and Conduct of Business in the House of the People, one Member from among their number to serve on the Committee on Public Accounts for the unexpired portion of the financial year 1952-53 vice Shri Balwant Nagesh Dattar resigned."

**Mr. Deputy-Speaker:** The question is:

"That the Members of this House do proceed to elect, in the manner required by sub-rule (1) of rule 197 of the Rules of procedure and Conduct of Business in the House of the People, one Member from among their number to serve on the Committee on Public Accounts for the unexpired portion of the financial year 1952-53 vice Shri Balwant Nagesh Dattar resigned."

The motion was adopted.



## CENTRAL SILK BOARD

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** I beg to move:

"That in pursuance of clause (c) of sub-section (3) of section 4 of the Central Silk Board Act, 1948 this House do proceed to elect, in such manner as the Speaker may direct, three Members from among themselves to serve as members on the Central Silk Board."

**Mr. Deputy-Speaker:** The question is:

"That in pursuance of clause (c) of sub-section (3) of section 4 of the Central Silk Board Act, 1948 this House do proceed to elect, in such manner as the Speaker may direct, three Members from among themselves to serve as members on the Central Silk Board."

The motion was adopted.

## CENTRAL COMMITTEE OF TUBERCULOSIS ASSOCIATION OF INDIA

**The Deputy Minister of Health (Shrimati Chandrasekhar):** On behalf of Rajkumari Amrit Kaur, I beg to move:

"That this House do proceed to elect, in such manner as the Speaker may direct, three Members from among themselves to serve on the Central Committee of the Tuberculosis Association of India."

**Mr. Deputy-Speaker:** The question is:

"That this House do proceed to elect, in such manner as the Speaker may direct, two Members from among themselves to serve on the Central Committee of the Tuberculosis Association of India."

The motion was adopted.

## CENTRAL ADVISORY COMMITTEE OF NATIONAL CADET CORPS

**The Deputy Minister of Defence (Shri Satish Chandra):** I beg to move:

"That in pursuance of sub-section (1) (i) of section 12 of the National Cadet Corps Act (Act XXXI of 1948) as amended by the National Cadet Corps (Amendment) Act (Act LVII of 1952), this House do proceed to elect, in such manner as the Speaker may direct, two Members from amongst themselves to be members of the Central Advisory Committee of the National Cadet Corps for a term of one year."

**Mr. Deputy-Speaker:** The question is:

"That in pursuance of sub-section (1) (i) of section 12 of the National Cadet Corps Act (Act XXXI of 1948) as amended by the National Cadet Corps (Amendment) Act (Act LVII of 1952), this House do proceed to elect, in such manner as the Speaker may direct, two Members from amongst themselves to be members of the Central Advisory Committee of the National Cadet Corps for a term of one year."

The motion was adopted.

**Mr. Deputy-Speaker:** I have to inform hon. Members that the following dates have been fixed for receiving nominations and withdrawal of candidatures, and for holding elections, if necessary, in connection with the following Committees:

Date For nomination    Date for withdrawal    Date for election

- |                                                                |   |          |          |          |
|----------------------------------------------------------------|---|----------|----------|----------|
| 1. Public Accounts Committee:                                  | } | 10-12-52 | 11-12-52 | 15-12-52 |
| 2. Central Silk Board.                                         |   |          |          |          |
| 3. Central Committee of the Tuberculosis Association of India. | } | 11-12-52 | 12-12-52 | 16-12-52 |
| 4. Central Advisory Committee of the National Cadet Corps.     |   |          |          |          |

The nominations for these Committees and the withdrawal of candidatures will be received in the Parliamentary Notice Office upto 12 Noon on the dates mentioned for the purpose. The elections, which will be conducted by means of the single transferable vote, will be held in the Deputy Secretary's Room (No. 21) in the Parliament House between the hours 10-30 A. M. and 1 P. M.

## DEMANDS FOR SUPPLEMENTARY GRANTS, 1952-53

**Mr. Deputy-Speaker:** The general principles followed in regard to cut motions on demands for supplementary grants are as follows:

That the cut motions must be restricted to the particulars contained in the estimates on which supplementary grants are sought and to application of the items which compose those

grants; that a question of policy cannot be raised on demands for supplementary grants in so far as such demands refer to schemes which have already been sanctioned by the House; that with respect to a new service for which previously no sanction has been obtained, question of policy may be raised, but it must be confined to the item on which the vote of the House is sought.

Applying this test, the following cut motions are out of order as they are not covered by the supplementary demand or they seek to raise questions of policy: Cut motions numbers 1, 4, 12, 17, 20, 21, latter parts of 25, 29, 33, 34, 41, 42, 43, 45, and 48.

**Shri M. S. Gurupadaswamy (Mysore):** On a point of order, Sir. Is it a rule of procedure that we should not discuss policy during supplementary demands?

**Mr. Deputy-Speaker:** The hon. Member has not heard me in full. Once again he will refer to the rules and the rulings. What I said is simply this: it falls under three heads. Supplementary demands may relate to excess grants. If, during the Budget session, a particular item was discussed, the policy accepted by the House and some amount voted, if some extra amount is wanted now, no matter of policy can be discussed on that matter because the policy was already decided for the whole year during the Budget session. If during the course of the year some item or some service, which was not contemplated and not included in the Budget this year, comes up and if for that some money is sought to be spent that is a matter of policy and it can be discussed.

**Shri M. S. Gurupadaswamy:** Are we not entitled to re-open discussion of policy?

**Mr. Deputy-Speaker:** No.

**Shri Damodara Menon (Kozhikode):** May I ask you kindly to read the disallowed cut motions?

**Mr. Deputy-Speaker:** The cut motions are: Nos. 1, 4, 12, 17, 20, 21, latter parts of 25, 29, 33, 34, 41, 42, 43, 45 and 48.

**Shri H. N. Mukerjee (Calcutta—North-East):** May I submit a point which I sought to have elucidated by the Finance Minister? I found that in the papers supplied to us, there was very little information regarding the nature of the grants which we are asked to pass. I understand also that previously there used to be a Standing Finance Committee of this House, whose report was circulated among the

Members and the report of the Standing Finance Committee would give Members some tangible indication in regard to the supplementary demands which were being placed. As it is, we have got some cryptic telegraphic references to what these grants refer to, in the absence of further material regarding the nature of these grants, it is rather difficult for us to proceed, particularly because you have ruled that it is an old practice in this House that we are not going to go into basic matters of policy behind these grants. Therefore, it is all the more necessary for us to know the actual reasons why these supplementary demands have been necessitated. I wanted some elucidation from the Finance Minister and I requested him to supply the Members of Parliament with some tangible details, understandable details and not the telegraphic summary which is given, so that we can proceed with our job much more efficiently and expeditiously.

**The Minister of Revenue and Expenditure (Shri Tyagi):** I am very grateful to the hon. Member for having pointed that out to me. As soon as I received his letter, I enquired from my Ministry as to what the case was. I remember, Sir, under your Chairmanship, in the Estimates Committee we had decided that the Government should submit detailed information to the House so that hon. Members of the House may know exactly what the Demands are. That was noted by the Ministry. In fact, I am told that for the future they have sent circulars to all the Ministries to give fuller details. I am also told that the foot-notes given in the supplementary grants memo contain more information than what is given generally in the Budget foot notes. It is not as if there is anything which is lacking. Even so, if hon. Members feel that on some particular item, they are not fully posted up with information, the Minister in charge of the item would be here to reply their queries and throw more light. I am sorry I got the letter only yesterday and it was not possible for me to comply with the requirement in such a short time. But, I must submit that for the future, I have made a note of it. I feel that the demand is very genuine and I will see to it that next time fuller details are given to the House.

**Shri U. M. Trivedi (Chittor):** The hon. Minister said that this information was available during this year, that is to say, in the beginning of the first session when the Budget demands were being made. At that time, I drew

[Shri U. M. Trivedi]

the attention of the hon. Finance Minister to the fact that so far as the expenditure for the Central Reserve Police, Neemuch, was concerned, the whole space was left blank. Up-to-date, that space has not been filled up. We do not know what amount was allotted to the Central Reserve Police. Now, under Demand No. 87, so much amount is being asked for the Central Reserve Police. How are we to discuss this matter without knowing what was required and for what purpose? The whole thing has been left blank. Will it be possible to supply that information?

**Mr. Deputy-Speaker:** What is the Demand No.?

**Shri U. M. Trivedi:** I am referring to Demand No. 87; page 37.

**Mr. Deputy-Speaker:** What is blank?

**Shri U. M. Trivedi:** You will find in the footnotes (f), (g) and (h) it is stated:

"Additional provision is required due to non-materialisation of probable savings anticipated in the budget of the Central Reserve Police, Neemuch."

The original figures were not given at the time of the Budget.

**Mr. Deputy-Speaker:** I shall note that. If there is really a lacuna, I will ask the hon. Minister to explain. If still some more information is necessary, we shall see what is to be done.

*Prima facie* I ruled certain cut motions to be out of order. But, it does not mean that the hon. Member who has tabled those cut motions is precluded; if he feels strongly that that motion is in order, it is certainly open to him to tell me that the provisional order or opinion that I have given has to be revised. The hon. Ministers to whose Departments those cut motions relate may also be here. It is not as if this is the final ruling and a decision. When the matter comes up, they may make a submission and the hon. Minister will have to enlighten me about that particular matter.

**Pandit Thakur Das Bhargava (Gurgaon):** I want to submit that even this year it is only fair to the Members that they should get all the information now. The hon. Minister has recognised that in some matters the details which are given are not full. He thinks that if more time were given, he would be in a position to give more details. I would rather like that since we have got also other work posted for

today, and work which has to be done tomorrow, that may be taken up and this discussion may be postponed so that the fuller details that the hon. Minister thinks could be given may be given to the Members. I have gone through the reports. I find that in some matters, one may not be able to understand the full import of the demand. Therefore, if the hon. Minister agrees, he may postpone this discussion today and take it up tomorrow, and by this evening he may be able to give some more details in respect of matters on which he feels more details could be given.

**Shri Tyagi:** As I have already submitted, I really have not agreed with the accusation that the details given are less than what they used to be up to now on similar occasions. What I have submitted is this, that I am prepared to give additional information in future, but so far, the practice has been to give some information, and I think the information contained in the foot-notes in this memorandum is decidedly more than what they used to be in the past.

**Pandit Thakur Das Bhargava:** These things used to pass through the Standing Finance Committee and everything was discussed by the Committee and the reports of those meetings were supplied to the Members. Many of the Members knew what the Standing Finance Committee discussed. Now we do not know what is happening behind the curtain and what has been discussed. So, if the hon. Minister wants that there should be full discussion and criticism, it would be better to give more details.

**Mr. Deputy-Speaker:** May I suggest one course? There are as many as 23 items, and the total amount is about Rs. ten crores. Hitherto, the Standing Finance Committee used to discuss most of the important matters and the proceedings of the Standing Finance Committee also used to be circulated to Members so that with respect to any new service, they could know the object of the service, its financial implications, its recurring or non-recurring charges, whether it would be profitable or not, the amount of return etc. These subjects were discussed and a memorandum was submitted by the Standing Finance Committee with its recommendations. They were printed and circulated to hon. Members. Therefore, it is quite legitimate if any hon. Member says that with respect to these things more light is necessary than what is there.



For that matter, the hon. Minister himself feels that this may be done, but it relates to various Ministries. Therefore, let us go on with those items with respect to which no hon. Member feels any difficulty. Wherever any difficulty is felt, I will allow those items to stand over.....

**The Minister of Food and Agriculture (Shri Kidwai):** Or the Ministers will explain.

**Mr. Deputy-Speaker:** Yes, the Ministers may explain. And even with respect to that if they want a memorandum or notes to be circulated, then those items can stand over till tomorrow. In the meanwhile, I will ask the Ministers concerned to prepare small notes and submit to the House, if their explanation here immediately is not sufficient and further information is necessary. That can be done. Of course, the House has other work also. By way of abundant caution, they have been included.

**Shrimati Benu Chakravarty (Basirhat):** You have ruled that we will not be allowed to go into any procedure of policy.

**Mr. Deputy-Speaker:** Not so. What I said was that I put them down in three categories. In each head of demand the details for which the excess grant is asked for are given. First of all, hon. Members ought not to go beyond these details. If some excess grant is wanted for elementary education, let us not start a discussion on University education. The first limitation that should be observed is that the discussion must be confined to those items for which this excess grant or other amounts have been expended. That will be clear from the footnote appended to each demand. That is number one.

Number two relates to matters of policy. In so far as particular demands have already been passed by the House during the Budget session, if some additional expenditure is wanted for some purpose, no question of policy can be discussed except what is contained in the additional amount. They can say the amount has been mis-spent and so on, but the question of policy can be discussed of a new service not contemplated during the Budget session, but necessitated later on. That is open for discussion. These are the three ways in which this matter should be approached. Hon. Members will kindly bear these in mind.

**Shri Nambiar (Mayuram):** My cut motion to discuss the policy pursued in issuing passport to visit China has been disallowed, though under the head there is already provision to meet the expenses of the cultural delegation. My cut motion has a direct bearing on the subject, and still it has been disallowed.

**Mr. Deputy-Speaker:** *Prima facie* the hon. Member can discuss matters relating to the cultural delegation, and what all they did. But we should not go into incidental matters such as the aircraft in which they went, whether it was Indian or English, the passports, what food they were supplied, on the way. The subject matter is whether money should be spent on the cultural delegation or not. Hon. Member may disagree with the purpose of the expenditure and say this delegation ought not to have been sent. But to go further and enter into details about the passports, how the tickets were purchased and various other things, is not allowed.

**Shri Nambiar:** There is no objection to sending the delegation. It should have been sent. But the point is with regard to the discrimination between individual and individual in the issue of passports.

**Mr. Deputy-Speaker:** That will come under the general passport system. Some get. Some do not get.

**Shrimati Sucheta Kripalani (New Delhi):** You just now said that some information may be supplied to us in the evening. Does it mean that the discussion can go on?

**Mr. Deputy-Speaker:** I am sorry I find today that I am not being understood properly. What I said was that there are a number of Demands, as many as 23. Wherever hon. Members find no difficulty and the explanatory note is sufficient, let us get through with the work. With respect to other matters where they find any difficulty, the Ministers will be here to explain. But even there, if any information is not available, I will request the Ministers to circulate small notes to hon. Members this evening, so that we may take up such items the next day. So far as I am concerned, I will allow full and free discussion. Let no hon. Member feel that sufficient material has not been placed before the House.

**Shrimati Sucheta Kripalani:** My question is whether the discussion will be carried on for more than one day.

**Mr. Deputy-Speaker:** If it is necessary, for ten days.

**Shri Nambiar:** The guillotine should not be applied.

**Shrimati Kenu Chakravarti:** My cut motion has been disallowed when we are actually providing Rs. 50 lakhs for relief and rehabilitation.

**Mr. Deputy-Speaker:** May I suggest one thing. I have already said that my opinion regarding these cut motions is provisional. Therefore, I will take up one demand after another for discussion. Wherever I think it is right and the hon. Member does not agree with me, I will give her an opportunity to raise that matter. Then we will discuss that matter.

**Shri S. S. More (Sholapur):** Is it not a strange procedure, Sir, disallowing a cut motion first, and then discussing it?

**Mr. Deputy-Speaker:** I only said that my opinion is provisional where, *prima facie*, the cut motions have not been allowed. The hon. Member knows law. I shall ask him to show cause why such and such a thing should not be done.

**Shri Nambiar:** The guillotine will not be applied to it.

**Mr. Deputy-Speaker:** The guillotine will apply if all of them are disposed of. If material is available, and hon. Member goes on speaking, then I will have to apply the guillotine at a particular time.

**Shri S. S. More:** It will be for each particular Demand, and not for all the Demands?

**Mr. Deputy-Speaker:** All the Demands will be disposed of by the evening.

**Shri S. S. More:** You said that if a particular discussion was not full...

**Mr. Deputy-Speaker:**...that will stand over.

**Shri S. S. More:** Or, if information is wanted as far as that Demand is concerned.....

**Mr. Deputy-Speaker:**...the guillotine will not apply to that.

**Shri S. S. More:** That is what I say. It should be Demand-wise.

**Shri Kidwai:** If the first Demand is taken and discussion goes on till 5 P.M. then all the Demands will be put together.

**Suri M. S. Guruprasadwamy:** May I know whether extra days are allotted for discussing the Demands?

**Mr. Deputy-Speaker:** No. I will ask hon. members to state on what points they want information so that I may ask the hon. Minister.

**Shri Tyagi:** Another difficulty is this. To give information is a term which has to be understood in a relative sense. To what extent the information has to be given should be stated, otherwise it can never be considered complete. There must be some metre to judge how much information is sufficient for the purpose of discussion.

**Mr. Deputy-Speaker:** In this connection, may I make one suggestion? Unless some time is fixed when all these matters have to be disposed of, we can go on spending a lot of time on each particular matter. If we are able to dispose of it within this session, then it does not matter whether we dispose of it today or tomorrow or three days later. On the 9th and 10th, there is enough work. So after three days, on the 11th this matter may be taken up. I am only making a suggestion that this matter can stand over till the 11th, and I hope it will be convenient. In the meanwhile all relevant information may be circulated to hon. Members. If any hon. Member wants any particular information, he can write to the Secretary who will communicate it to the Minister, and get the information that is needed, so that it will not be necessary to put it off again on the ground of lack of information.

**Shri Tyagi:** But who will decide whether the information supplied is sufficient or not?

**Mr. Deputy-Speaker:** I will decide it ultimately.

**Shri Tyagi:** So you decide whether it is sufficient or not. When the points are raised, we shall explain.

**Shri Kidwai:** We shall close it today by 5 P.M.

**Mr. Deputy-Speaker:** But the information is not granted.

**Shri Kidwai:** We are full of information.

**Mr. Deputy-Speaker:** But the difficulty is that it creates some complications. If I go on allowing all this, all the Demands may not be finished today, and the object of guillotine will disappear. It is left to the House as a whole to control each individual

member and ask him not to go on, in view of some other important subject, that can be done. Or if I allow some things to stand over for the next day not knowing what exactly is the information wanted by hon. members, then that will keep us in a nebulous state. So I would suggest that we shall have this on the 11th. In the meanwhile, a memorandum may be circulated to the hon. Members. I would also like to make this suggestion. If any hon. Member wants information on any particular subject, he can send a letter to the Secretary in writing and he will communicate it to the Ministers who will be ready to answer all the points, and he cannot expect any more information so far as that particular matter is concerned.

**Shri B. S. Murthy (Euru):** But 11th is a private Members' day. So, 12th may be taken up.

**Shri Tyagi:** It will upset the whole programme, and it will be difficult to agree to the suggestion you have made. I must respectfully submit this for your consideration. The schedule of the sittings has been fixed in advance, and notice also has been given, and the whole programme has been so set, that it will be difficult for the Government to face a dislocation now. And as my hon. colleague has just said, every information will be given.

**Shri Kidwai:** We are full of information.

**Shri Tyagi:** In fact you have been in this House for long, and you are very well acquainted with the usual practice, namely that all demands for grants were never discussed when the guillotine was applied, many had been left out. It was by agreement between the various Whips that they decided which cut motions would be taken up first and discussed. Now, if those cut motions which are not to come in the ordinary course, are made to stand over for the sake of lack of information, and on that ground, the work of the House is postponed for another day, I think it will be quite a big departure from the old practice.

**Mr. Deputy-Speaker:** I have no objection.

**Shri H. N. Mukerjee:** We on this side are quite ready and willing to sit on Saturday for this purpose.

**Mr. Deputy-Speaker:** But on Saturday the report of the Commissioner on Scheduled Castes and Scheduled Tribes will come up for discussion. So, 12th is the only day left.

My difficulty is this. I will certainly follow what the hon. Minister has said, but the question is when I am to apply the guillotine. Other hon. members want some information, and let us assume the hon. Minister is not in a position to supply that information now.

**Shri Kidwai:** All information is in our possession. We are full of information.

**Mr. Deputy-Speaker:** I think the hon. Minister is wrongly afraid, that the old practice of guillotine may not be allowed. But, whatever time we would devote for this may be devoted to the other work on hand. This may be taken up on the 12th, and the old practice can continue, as before.

**Shri Tyagi:** We have all fixed up our appointments according to the present schedule, and if this work is made to stand over, it is not possible all of a sudden to change our programmes.

**Mr. Deputy-Speaker:** I have heard sufficiently over this matter I do not think it right that I should allow a discussion of this matter any further or that this should go on endlessly without the hon. Ministers knowing what exactly they are wanted to say, particularly in view of the change-over that has now taken place, that there is no Standing Finance Committee and there are no proceedings of the Standing Finance Committee available for hon. Members, I do not want merely to take into account the convenience of the hon. Ministers or the fact that some hon. Ministers are not able to be present here. I feel that this must stand over till the 12th. There is no necessity for any clapping now. Nobody succeeds and nobody fails in this matter. There is no question of any success or defeat in this, so far as this matter is concerned.

If we find that we cannot dispose of these demands for grants on the 12th by 5 P.M. or however long we may sit on that day, then these will be disposed of by the application of the guillotine.

**Shri Kidwai:** Guillotine is applied always at 5 P.M.

**Mr. Deputy-Speaker:** Very well, it will be applied at 5 P.M. or at the hour to which the sitting is extended. If the discussion goes for ten or fifteen minutes more, I shall allow it.

**Shri Tyagi:** Today was the day fixed for the supplementary grants. But you have now fixed for the 12th. I

[Shri Tyagi]

should be able to know what information I am required to supply. I shall decide the volume of information I can give, according to my own notions, and again it may be said that it is incomplete, but it will not be possible to satisfy all the Members on this matter.

**Mr. Deputy-Speaker:** Hon. Members who require any information should send their requests to the Secretary before 1 P.M. tomorrow.

**Shri Tyagi:** But I have to collect all the information and get it printed for circulation. It is not only one Member who has to be supplied, but I believe the information has to be given to all.

**Mr. Deputy-Speaker:** It need not be printed. The hon. Minister, to whom any particular matter relates, can make a memorandum and submit a note to be circulated to the hon. Members.

**Shri Tyagi:** But it will take time for printing.

**Mr. Deputy-Speaker:** Whatever is humanly possible by the 12th can be done.

**Shri Tyagi:** You have taken a decision, and I would respectfully submit to it.

**Mr. Deputy-Speaker:** My decision is not arbitrary. It is now nearing one o'clock. What is the information that the hon. Members are going to get by 2-30 when the discussion will start, when we have to pass Rupees ten crores nearly?

**The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya):** It is open to them to start a discussion at 2-30 P.M.

**Mr. Deputy-Speaker:** That is not the point. There has to be sufficient information, even if I am to come to any conclusion as to what I ought to place and what I ought not to place. I am bound to lead the House also. So, I shall fix 1 P.M. tomorrow for the purpose. Whatever information is needed can be asked for by tomorrow

1 P.M.

**The Deputy Minister of Communications (Shri Raj Bahadur):** We can give the information just now.

**Mr. Deputy-Speaker:** I feel that this information must be with the hon. Members beforehand. So, hon. Members requiring any information may write a note to the Secretary indicating the points on which they require information by.....

**Shri Kishor:** By 5 P.M. today.

**Mr. Deputy-Speaker:** By one o'clock tomorrow. I have no objection to saying 5 P.M. But where is the time for hon. Members to write out and give the notes?

**An Hon. Member:** They have got the papers before them.

**Mr. Deputy-Speaker:** If the hon. Members are posted with all the points on which they require information, then the notes may be given by 5 P.M. today, so that the Government may have sufficient time to get the information circulated.

The whole matter will be disposed of by 5 P.M. when guillotine will be applied, on the 12th.

**Shri Nambiar:** Let it be 6 P.M., Sir.

**Mr. Deputy-Speaker:** Let it be 5-30 P.M. There is no harm. Let us not spend any more time on this.

#### IRON AND STEEL COMPANIES AMALGAMATION BILL.—*contd.*

**Shri A. C. Guha (Santipur):** This Bill, as far as it goes, may be taken to be more or less innocuous. But when we consider the importance of the material which is going to be dealt with by this Bill, this House should take a broader and wider view of the whole question. This Bill seeks to amalgamate two companies producing steel and though it has not been stated in the Bill, it is known to the country, and the hon. Minister also told the House, that Government is going to give a loan to this amalgamated company and also going to guarantee a loan from the International Bank to this amalgamated company. It involves a question of policy, as to how we should deal with this industry, important as it is in the present economic set-up of the world.

The present age may be called the 'age of steel'. We have practically passed the iron age and we may be in what can be called the steel age. Industrial production of steel is barely 100 years old, but it has changed the entire complex of the present economic set-up of the world. It may be said that steel has inaugurated economic imperialism. The capitalism which started with the Industrial Revolution was based more or less on the textile industry; that was of a very different nature and less aggressive and less offensive than the capitalism which has been initiated with the industrial production of steel. The

products of this industry are more costly than the products of other industries. The products of this industry are 'more aggressive' than the products of other industries. It is not, in the real sense of the term, consumer goods that the steel industry produces. It produces what may be called the raw material for most other industries. It is the basic industry for modern industrial civilisation and industrial economy. Steel, as I have stated, is much more expensive and the manufacturing countries often have to thrust the steel goods on poorer countries which may not be in a position to purchase or pay for those steel goods. So there is a sense of compulsion about this steel.....

1 P.M.

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): It is already one o'clock, Sir.

Mr. Deputy-Speaker: Is the hon. Member likely to take a long time?

Shri A. C. Guha: Yes, Sir.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

Shri A. C. Guha: What I was speaking about before lunch was that steel has brought about the beginning of what may be called economic imperialism. Steel is the most highly capitalised and the highly mechanised of the industries. In this industry wages form a very insignificant part of the entire expenses and overhead charges form the major part of the expenses.

Then, it is the key industry. It is not enough to say that it is a key industry; perhaps, I should say it is the key industry. Steel forms the basic material for almost all other industries and so it occupies a very important place in the economic life of any nation of the world today. Moreover, steel is intimately connected with armaments; and that is one of the reasons why every country takes particular precaution about controlling the steel industry. As I have said, it is the most highly capitalised industry. So, the number of component units in this country, as in every country, is very small. In India we can say we have got only really two big steel producing units, the Tatas and the SCOB. The Mysore unit is almost insignificant; and there are also other re-rolling machines which

also need not be taken into serious consideration.

Because of the smallness of the number of these units in every country, there is always a tendency of forming themselves into a cartel, controlling the supply, production and prices of steel. Not only that, there is also a tendency of forming something like an International Cartel to control and regulate the production and prices and also the supply of steel all over the world. It is in short supply not only from the point of view of India's needs but also from the point of view of world's needs. And when we see that there is already some international organisation functioning for the control of steel, we should be still more careful about it. There was, for some time, functioning in Europe what may be called a European Steel Cartel—International Steel Cartel—and it had a connection with the British Iron and Steel Federation. It was a point of common complaint in Britain that the supply of steel, the price and everything was more or less controlled by these two organisations, the International Steel Cartel and the British Iron and Steel Federation. Even within Britain the supply and price of steel was controlled by some agreement between these two organisations and not according to cost and rated capacity of production.

Now they have got the Schuman Plan and the Schuman Organisation for the controlling of production and distribution of coal and steel in European countries. When we proceed to decide our steel policy, we should try to see the political and economic implications of this Schuman Plan. Schuman while inaugurating his plan in the Assembly said that it had also its political reactions. He has also been frank to admit that it has the economics of power and not the economics of price. Along with this Schuman Plan for steel and coal, we have got the European Community of Defence signed by the same six countries that has been guaranteed by Britain and U.S.A. That is a military pact which stands behind the Schuman Plan for the control of steel and coal. These are the international implications which should decide our policy as regards steel.

Some years ago, the United Kingdom nationalised steel. What was the immediate reason for this nationalisation? There was admittedly a problem of post-war reconstruction of steel and the British Federation of Steel was asked for a reconstruction plan. But the British Steel industrialists could not give a plan except say—



[Shri A. C. Guha]

ing that the Government would have financially to stand behind them and they will retain their monopoly control of this production of steel. That plan also could not envisage how to meet in the near future the complete requirements of British steel. We do not know what is the programme, post-war or present, as regards steel in our country.

**Mr. Deputy-Speaker:** How is all that relevant for this? There are about 10 or 12 items on the agenda which have been coming on from day to day. Now so far as this is concerned, it is said in the Statement of Objects and Reasons that it is for the purpose of producing more and on the recommendation of the Tariff Commission. So Schuman Plan and all other plans have nothing to do with this.

**Shri A. C. Guha:** I have finished that. I have just started the positive post-war programme.

**Mr. Deputy-Speaker:** There must be some limit to all this. It must all be relevant. What is the objection in joining these two?

**Shri A. C. Guha:** My objection is this. Whether we should help these two private companies or not and what is our policy as regards steel, whether we should go in for nationalisation or whether we should help these private companies by lending huge sums of money from Government.

**Shri K. K. Basu (Diamond Harbour):** Incidentally, can we discuss the details of the conditions?

**Mr. Deputy-Speaker:** No, you cannot discuss that.

**Shri M. S. Gurupadaswamy (Mysore):** When we are amalgamating, can we not suggest nationalisation as an alternative?

**Mr. Deputy-Speaker:** If the hon. Member mentions that when he speaks, I will pull him up. Let him not interfere with the speech of another hon. Member. The simple point here is that two companies are to be amalgamated. Nationalisation of steel is not the point at issue here.

**Shri A. C. Guha:** My point is whether we should help these two companies to perpetuate something like a monopoly control over steel or we should move towards nationalisation.

**Mr. Deputy-Speaker:** If they are continuing, then what will happen?

**Shri A. C. Guha:** Then, there would have been no proposal to contribute Rs. 31 crores. This amalgamation proposal is one which guarantees on behalf of Government direct and indirect loans of Rs. 31 crores.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** May I mention that when Government propose to lend beyond Rs. two crores, that will be subject to Budget appropriation and it will come up before the House.

**Mr. Deputy-Speaker:** Yes. On the question of lending, nobody can lend without the sanction of Parliament.

**Shri A. C. Guha:** These two companies have been persuaded to amalgamate on these conditions and I have got the speech of the Chairman of the Board of Directors where he has referred to the conditions and expressed how the shareholders would be benefited thereby.

**Mr. Deputy-Speaker:** When the proposal for the loan comes up, the hon. Member may oppose it. But for the present what is there preventing the two companies coming together?

**Shri A. C. Guha:** On the Tariff Commission's report and on the insistence of the International Bank, Government is taking steps to amalgamate these two companies and these two companies have put forward certain conditions before they agree to the amalgamation. I think, therefore, we are entitled to discuss the conditions. They are not secret. The hon. Minister referred to them in his speech, and they are published in the papers as having been placed before the general meeting of the shareholders.

**Mr. Deputy-Speaker:** There is no agreement entered into between the Government and the companies in case amalgamation takes place. Is there?

**Shri T. T. Krishnamachari:** Apart from whatever money Government would lend to them and whatever help Government may give to obtain a loan from the International Bank, the very fact of amalgamation puts the steel production on a different basis and the Tariff Commission had pointed out that in the case of amalgamation the possibility is that they might get better treatment in regard to their retention prices than they have been getting hitherto. At the moment, the steel produced by the

Steel Corporation of Bengal is more costly because of the unbalanced nature of the plant.

**Mr. Deputy-Speaker:** I think they are overlapping.

As I said, the present issue relates only to the question of amalgamation. If it is a question of lending, it is a different issue altogether and when that arises, we may discuss whether it is more profitable to lend or whether it is more profitable to start an other Government concern.

**Shri K. K. Basu:** On a point of information, it is not merely a question of amalgamation under the Indian Companies Act. Government is going to legislate specifically merging these two companies. Certain conditions must be involved; otherwise, the two companies would not agree. That is how the question arises as regards the loan from the International Bank and also Government undertaking to supply the shortfall of the money required for development. Although one may not go into nationalisation *ad nauseam*, I think we are entitled to discuss the general policy as regards support to these steel concerns.

**Shri Basal (Jhajjar-Rewari):** May I point out that it is not a case of the companies agreeing. The companies came to Government for certain aid, and Government said that they will not give that aid unless the companies fulfilled certain conditions. The obligation is therefore on the companies, not on Government. It is for Government to amalgamate these companies, not for the companies to amalgamate by themselves. Government wants the companies to amalgamate. That is why this Bill is before us.

**Shri A. C. Guha:** Government wants the companies to amalgamate, but when the companies agree, they put forward certain conditions and these conditions are accepted by Government. Otherwise, the companies would not agree. These conditions have been made public.

**Mr. Deputy-Speaker:** I will only allow further discussion if it involves a decision from or an opinion of Parliament that it is committed to a policy of loan as against nationalisation. This does not involve that. Notwithstanding the amalgamation, it is open to the Government to say that they do not want to loan anything to these companies but that they want to open some other concern. In these

circumstances, there is no commitment on the part of Government. Amalgamation is a thing independent of all these transactions. There is no commitment on the part of Parliament regarding any particular decision in this matter. Therefore, what the hon. Member is saying about nationalisation is out of order.

**Shri A. C. Guha:** Will the hon. Minister be pleased to say that there is no commitment on behalf of Government after amalgamation? Is it not true that the Government will have to fulfil a financial commitment to the tune of Rs. 31 crores—Rs. 15 crores from the International Bank; Rs. 11 crores directly by the Government; Rs. five crores already granted, and all told Rs. 31 crores?

**Shri T. T. Krishnamachari:** The hon. Member does not understand the position. Government plans and suggests certain ways and means, but all that is certainly subject to parliamentary control. Parliament has the right to let the Government lend the money or not to lend the money, when Government comes forward with a proposal to lend money. But Government cannot keep quiet. We have to develop the steel resources of India. That is why we go on. Ultimately, when the money is going to be lent—whether it is rupees ten crores or eleven crores or 12 crores—Parliament will certainly have to sanction the loan and it is always open to Parliament to say at that stage that it will not sanction the loan. Here, the question is that in the interests of the production of steel in this country, Government wish to amalgamate the two companies. At the stage I mentioned a minute ago, you can consider whether Government should acquire the concern or start some other one.

**Mr. Deputy-Speaker:** So, nationalisation is out of order here. It does not arise out of this Bill and is not germane to it.

**Shri A. C. Guha:** Can we discuss the loan?

**Mr. Deputy-Speaker:** No loan is contemplated. It is outside the scope of this Bill. What arises here is whether there is any objection to amalgamate these two companies. So far as loans are concerned, the proposal will come up during the Budget period and at that time you can discuss the terms and conditions and suggest the acceptance or rejection of the loan proposal. Here, nationalisation is not at issue. It has to be tackled independently.



**Shri M. S. Gorupadaswamy:** While opposing the principle of amalgamation, can we not say that these companies should be nationalised as an alternative?

**Mr. Deputy-Speaker:** No. When two companies have come together for amalgamation, you cannot bring that issue. Independently, Government may be asked to nationalise the steel industry during the time of the financial proposals.

**Shri A. C. Guha:** Had it been such an independent thing, then Parliament would have no objection. These companies are standing by themselves. There is no proposal that these companies must be liquidated. They must be only amalgamated. With or without this amalgamation, the companies will go on. Therefore, is it not open to us to suggest their nationalisation?

**Shri K. K. Basu:** In view of what you have said, Sir, may I suggest that the hon. Minister should give another speech...

**Mr. Deputy-Speaker:** Order, order. I have given my ruling. Nationalisation does not arise out of this Bill. Nationalisation does not arise out of this nor a loan arises.

**Shri M. S. Gorupadaswamy:** Why debate this point at all?

**Mr. Deputy-Speaker:** There is nothing to be debated on this point. I will not allow extension of the scope of the Bill.

**Shri A. C. Guha:** It is not an extension.

**Mr. Deputy-Speaker:** I have given my ruling.

**Shri A. C. Guha:** I shall limit myself to the terms on which this amalgamation is going to be effected. My submission is that during the Budget session, it will not be possible for anybody to raise all these minor detailed questions. Then everybody will discuss the broader issues.

**Mr. Deputy-Speaker:** That cannot be helped.

**Shri A. C. Guha:** In view of your ruling, I have to limit myself only to certain aspects of the two companies. These two companies were functioning on an inter-company agreement and it is for some years that the Tariff Board have been making recommendations that these two companies should be amalgamated. Government accepted

the first recommendation of the Tariff Board in 1949 but nothing came out. Nothing came out in 1950 also. Then the Tariff Commission recommended that these two companies should amalgamate. Then also nothing came out. When the International Bank crept in and imposed the condition that unless these two companies amalgamate, they will not advance the money, then only these two companies agreed to amalgamate.

I think I shall be within my scope if I refer to the terms which were so long regulating the transaction of these two companies. And why this question of higher price? Retention price for SCOB steel has been rising every now and then. The SCOB was paying a very high rate to the IISCO; over and above the actual charges it has to pay the overhead charges of IISCO and also five per cent. surcharge. Then, above that, 20 per cent. of the entire profit of SCOB was also to be given to IISCO for supplying all these things—for taking hot metal and some other subsidiaries.

**Shri K. K. Basu:** That is why amalgamation.

**Shri A. C. Guha:** My point is why so long these things were allowed to continue? Now, when the International Bank has stepped in with the condition that they will advance money only when these two companies amalgamate, these two companies have agreed to do so. Why Government so long was not able to...

**Mr. Deputy-Speaker:** Rectifying an error at least when pointed out by some other people.

**Shri A. C. Guha:** Government have so long been accepting the recommendations of the Tariff Board but these two companies were competent enough to flout those recommendations. Here comes the question how the Government has been handling these two companies and the entire industry.

Then, under the terms of the present arrangement, the preferential shares of these two companies are still to continue. I think, Tatas also have got the preferential shares.

**An Hon. Member:** No, they are deferred shares.

**Shri A. C. Guha:** Deferred shares have been abolished two years ago.

**Sardar A. S. Balgal (Bilaspur):** Deferred Shares have not been abolished. We have got second preference shares, we have got ordinary shares and so on.

**Shri A. C. Gaba:** I think Tatas have preference shares—anyhow the Tatas are not so relevant. *(Interruptions).*

**Mr. Deputy-Speaker:** Let the hon. Member go on.

**Shri A. C. Gaba:** Why are these preferential shares still allowed to be continued? Whether the company makes a profit or not, they will be allowed to have their five per cent. dividend. That should not be allowed to continue now.

Then there is also the London Committee. There is nothing said in this Bill about the London Committees of the two companies. When these two companies were first started by Martin Burn & Co., these were European owned companies and they had their London Committees. London offices; but now, what is the necessity of having a London Office because it is an Indian company, its capital has been raised in Indian coin and its head office is in India. What are the functions of the London Committee and what are the charges that have been paid every year for the London Committees? I do not know whether Government propose to abolish the London Committees or to take some action about the expenses and controlling their activities.

Then, about the transfer of the SCOB shares to the IISCO shares, it has been decided by the Tariff Commission that five ordinary SCOB shares would be equivalent to four ordinary IISCO shares. They have calculated that IISCO was so long getting an average dividend of 13.12 per cent. and SCOB 6.5 per cent. Now, after amalgamation, their dividend, if they continue to work as they have been working before, would be something like about eleven per cent. and I do not know what justification there is for guaranteeing such a high dividend for an industry which is so important in our national life. For some years there was the Dividend Control Act. Now, of course, that is not abolished. Yet, the Government while passing this Act with 31 crores as loan should put a limit to the dividend earning capacity of the ordinary shares.

I should mention something about the overhead charges. Tatas were allowed rupees five crores 77 lakhs overhead charges and SCOB one crore 37 lakhs overhead charges and in 1949 and in 1952 the overhead charges allowed for SCOB are near about rupees two crores and a company getting an overhead charge of nearly about rupees two crores cannot form its own development scheme and have come to Government for huge loans. That also I think this

House should take into consideration—what the overhead charges are.

SCOB claimed Rs. 4,20,000/- annually as managing agency commission. I think there is nothing in the Tariff Commission's report or in the literature that has been given to us. I do not know what the IISCO was demanding. You know both these companies are under the same managing agents. Now, what will be the commission of this managing agency for the combined amalgamated firm? Will it be the same sum, that is the sum total of the two amounts for SCOB and IISCO or the Government will take some decision as to fix an amount for the managing agency of the amalgamated firms?

3 P.M.

It has been stated in the shareholders' meeting by the Chairman of the Board of Directors, that Government loans will not bear any interest for four years and after that there is no date of maturity. "A loan of rupees ten crores, interest free for the first four years and bearing no fixed maturing date; repayment of this, if required, would be effected by means of an increase in retention price." So, Government is giving them a loan of rupees ten crores and there is no maturity date. The Chairman says that the repayment of this, if required, would be effected by an increase in the retention price of the steel. So, that is one of the conditions imposed by these two companies before they could agree.....

**Shri T. T. Krishnamachari:** May I interrupt my hon. friend? That is not correct. It is undoubtedly correct to say that the special loan would not bear any interest until production starts. Thereafter the loan has to bear interest. Naturally, the interest would be borne by overhead charges of the company and a relative increase in the retention price will have to be given. So far as the question of repayment, the manner of repayment, the time of repayment, etc., are concerned, they are for ascertainment by the Tariff Commission. If the repayment is to be made by means of amortisation, naturally some kind of a provision will have to be made in the price. It is also open, if Government insists on the company going to Martin for equity capital so as to repay the loan. These are the terms that Government have suggested to them, but they have not been finalised. So, to say that the whole loan is going to be free and there is no date of maturity and everything will be in the hands of shareholders is not a correct representation of the position.

**Shri A. C. Guha:** I have only quoted the Chairman's words from the paper.

**Shri T. T. Krishnamachari:** The hon. Member can now quote the Government which is in direct contravention of any deduction the hon. Member may make from the Chairman's speech.

**Shri A. C. Guha:** Till Government declare the actual position, we have to proceed on the Chairman's speech made at the shareholders' meeting. By this speech, he persuaded the shareholders.....

**Shri T. T. Krishnamachari:** I would like to add that when we come to the House for sanction of the loan, we will state very clearly what are the terms on which the loan will be given. It is for the House to approve of it or not to approve of it.

**Shri A. C. Guha:** When Government make a commitment, it is not possible for us to revise that commitment. But I think we should be allowed to express our views on such a grave issue, so that Government may be aware of the public opinion and also know the views of Members of the House on this matter.

**Mr. Deputy-Speaker:** What is the meaning of agitating it indirectly? I have already heard the hon. Member. It is not right to discuss a loan which is in contemplation and the terms and conditions of which are not settled.

**Shri H. N. Mukerjee (Calcutta North-East):** May I point out that in the remarks made by the hon. Minister when he moved this Bill, he referred to this loan. In the Ordinance which has been issued there is a reference to this loan. The question of the loan in connection with the merger is being discussed all over the Press in every section of it. If it is going to affect the merger, it is necessary for us to know something about the nature of the loan which is contemplated to be paid. I submit that we have some right to discuss the character of this loan, and the implications of such loans in view of our previous experience with the World Bank.

**Mr. Deputy-Speaker:** The hon. Member was not here when I referred to this matter. As and when an hon. Member comes to this House, the same matter cannot be reopened at every stage. It is in accordance with the advice of the Tariff Commission, for more efficient working, to avoid wastage and overlapping, in the production of a material, which is very

important and necessary for the country, that this amalgamation is effected. So far as loans are concerned, a loan of Rs. five lakhs was granted even before the amalgamation was effected. The terms and conditions of the loan can be judged and discussed on its own merits when the matter comes up before the House. The hon. Minister has already given an assurance that he will place the matter before the House and obtain its sanction.

**Shri T. T. Krishnamachari:** I might add that Government have got a vital interest in this matter, apart from the general interest of increasing production of steel, because for every ton that this company produces, Government put into the Equalisation Fund Rs. 81. We pay them only Rs. 319; we put Rs. 81 into the Equalisation Fund. It is that money which is supposed to be given. I can explain the position when I conclude. We can give not a pie to any company without the sanction of Parliament.

**Pandit Thakur Das Bhargava (Gurgaon):** The second paragraph of the Preamble to this Bill reads:

"And Whereas to give effect to the scheme of the Central Government for the expansion of the iron and steel industry and to make available further resources for such expansion, it is necessary that the said companies should be amalgamated with as little delay as possible."

I accept your ruling that the question of nationalisation or a discussion of the terms of the loan may be deferred. But at the same time the House is entitled to know what the scheme is. When Government themselves say that they want to bring this Bill with a view to giving effect to the scheme, it is but fair that the House should know first of all what the scheme is. The hon. Minister agreed to give us details in his final speech. If he would take the trouble of explaining what he intends saying at the end, it will facilitate discussion of this measure.

**Mr. Deputy-Speaker:** We have gone sufficiently far into this matter. So far as the loan is concerned, any company, independent of amalgamation can ask for a loan and it is for the Government to sanction it, or not to sanction it. Amalgamation is with a view to have better production. This is only one of the incidental measures. The hon. Minister if he wants to give further information can reserve it to the end.

**Shri A. C. Guha:** It is not by simple amalgamation that production will increase.

**Mr. Deputy-Speaker:** There is no scheme here for a loan. Is there any clause that Government will arrange to give so much loan?

**Shri A. C. Guha:** To give effect to the scheme of the Central Government for expansion of the iron and steel industry further resources will be made available.

**Mr. Deputy-Speaker:** I have already said I will not reopen this matter. Neither nationalisation nor the question of details of the loan will be relevant to this issue at this stage.

**Shri K. K. Basu:** May I read a part of the hon. Minister's speech?

**Mr. Deputy-Speaker:** It is not the hon. Minister's speech that is under discussion now—it is the Bill. Whatever is not relevant to it will not be allowed.

**Shri V. B. Gandhi (Bombay City—North):** Only a few days ago this House considered the Industrial Finance Corporation Bill and in that Bill a specific reference was made to possibility of advancing loans to the iron and steel industry, particularly these two companies, from the International Bank for Reconstruction and Development. There is no purpose in this amalgamation except.....

**Mr. Deputy-Speaker:** The hon. Member is only repeating what others have already said. The purpose of amalgamation is better efficiency of management and various other things. To talk of nationalisation or the contemplation is not relevant at this stage.

**Shri H. N. Mukerjee:** May I submit.....

**Mr. Deputy-Speaker:** I will not allow any more such kind of obstruction.

**Shri H. N. Mukerjee:** I object to your saying so.....

**Mr. Deputy-Speaker:** Order, order. I am really sorry to use that expression. But what I find is when the hon. Member has reached that point—Mr. Mukerjee was not here—once again after he comes he raises the point. And once again he goes on, not accepting the ruling I gave. I would not allow any ruling to be reopened.

**Shri H. N. Mukerjee:** The point is we want to understand the position.

**Mr. Deputy-Speaker:** I understand the position. He can refer to the record. He will have an opportunity of understanding it.

**Shri H. N. Mukerjee:** If you heard us in advance.....

**Mr. Deputy-Speaker:** This point was before the House. I gave my ruling. Am I to reopen it because another hon. Member comes in a little later?

**Shri H. N. Mukerjee:** It is not a question of anybody coming later or earlier.

**Mr. Deputy-Speaker:** I have heard this sufficiently.

**Shri M. S. Guruswamy:** On a point of order. Sir. In 1948, when the Industrial Finance Corporation Bill was discussed, the general policy of nationalisation and everything was discussed, and it was allowed by the Chair at that time. Even last time....

**Mr. Deputy-Speaker:** A point of order must state only the point. It is not a question of the Industrial Finance Corporation, whether this should be established as a private Company like that or directly it should be nationalised like the Reserve Bank. Then there was the question as to who ought to manage it, whether the other directors ought to be associated or not, and therefore nationalisation was relevant. For this Bill it is not relevant, for we are not establishing this corporation. They are already in existence. That the existing corporations should be amalgamated is different from nationalisation of the industry.

**Shri Gadgil (Poona Central):** The question of advancing finance to it is a separate question altogether. What is sought here is the mechanism, and if that mechanism is accepted the other question will come. But it is not relevant here.

**Mr. Deputy-Speaker:** The other question need not follow.

**Shri S. S. More (Sholapur):** Is it an explanatory commentary on your ruling. Sir?

**Mr. Deputy-Speaker:** Whatever it is. I have allowed this side, and I allowed the other.

**Shri K. K. Basu:** May I know whether we can use the statement made by the hon. Minister in moving this Bill or not?

**Mr. Deputy-Speaker:** When he wants to speak I will tell him. But inasmuch as my ruling has been invited,

[Mr. Deputy-Speaker]

what I say is this. Whether it is the Minister or any other person, for the purposes of explanation he refers to one or two items. Each item that is referred to may or may not be germane to the issue. And what is beyond the scope of the Bill I will not allow. Therefore, merely because the hon. Minister has said something, I cannot allow a debate on everyone aspect of that matter.

**Shri A. C. Gaba:** In the Tariff Commission's report we have it that the IISCO has asked for certain assurances before it could agree for amalgamation. What is that assurance? That assurance was as regards the block of Rs. 7½ crores in Hirapur of the IISCO.

Again, if you permit me, I should like to quote the words of the Chairman who, addressing the shareholders, said:

"What a fortunate position we are in and in which we are likely to remain. We will be the owners of one of the largest integrated plants."

Then he says that this Hirapur block is not available to them now, so after this merger the Rs. 7½ crores with eight per cent. overhead charges on this Rs. 7½ crores block should be available to the new company, and that unless this assurance was given they would not agree to any merger. My point is this. This condition may or may not be quite all right from the economic point of view. But while taking these loans from the Government these two companies think themselves strong enough to impose certain conditions on the Government and on the Tariff Commission which Government had to accept. I would like that this aspect that the Rs. 7½ crores Hirapur block should get overhead charges of eight per cent. should be considered.

Sir, you have not allowed me to refer to anything about the loans. So the scope of this discussion has been very much limited. Day before yesterday a question was asked what would be the manner of formation of the Board of Directors. Presumably the present Board of Directors of both the companies will form the Board of Directors. While giving such a huge loan I do not know whether the Government should not have a definite number of their own representatives on the Board. There is a clause that Government would keep the rule-making powers as regards nominating certain directors on the Board. But I am afraid unless there is some definite provision in the body of the Bill itself, I do not know how far it will be possible for the Gov-

ernment to control the Board of Directors and control the company and its finances.

Broadly speaking, I have no objection to giving any protection and encouragement to steel. I think of all the industries steel has done much better. Our experience particularly with sugar and with many other industries has not been so happy. As regards steel our experience has not been so bad, though I do not like to say that everything was quite all right. This huge amount against the current and overhead charges should have been taken into consideration by the Tariff Board while fixing the retention price. The steel industry has all the possibilities of developing into a very big industry in India, and Indian steel can compete with foreign steel both as regards quality and price. It is much cheaper than European steel. So there should be every encouragement for the development of the steel industry.

In this connection it may not be quite irrelevant to mention the adventurous and enterprising spirit of Jamshedji Tata and what the country owes to him. But I think I should also mention here the name of one gentleman who is almost forgotten but for a mere marble bust in a remote corner of Jamshedpur. That gentleman is P. N. Bose who practically found out all the iron ore and the immense possibility of developing steel industry and persuaded Jamshedji Tata to establish that factory at Jamshedpur. It was through his intermediary that the agreement with the Mayurbhanj State and the Tata family was executed, and this factory in Jamshedpur owes very much to P. N. Bose—I think not less than what it owes to Jamshedji Tata for the industrial and financial resources. I think that while considering the Bill before the House, it should be reminded of what the country owes to that great man. The House may also be interested to know that his daughter is a Member of this House.

**Shri Bansal:** I wholeheartedly welcome this Bill for two very good reasons. One is that it implements the recommendations of some Committee or Commission. The unfortunate experience of this House has been that Committees after Committees are appointed, but their recommendations remain in cold storage. I think this is a very good reason for welcoming the Bill. The other reason for welcoming this Bill is that it will help in increasing the production of pig iron and steel in our country. Though it will



be only to a very small extent, nevertheless, it will be a step in the direction of increasing the production of these two vitally needed materials for our industrial development.

The importance of steel is well understood by everybody in the present century. Unfortunately, in our country we are producing a very small quantity, namely about 1.5 million tons of steel ingot. I was comparing this figure with the production in some of the leading countries of the world and I found that in America, the production is of the order of nearly 100 million tons. I wonder as to why we should not increase our production very rapidly. The planning Commission in the Draft Outline said that every step should be taken to increase the production of iron and steel in our country. In the present report which has been placed on the Table of the House, again, there appear some portions dealing with this very important subject. It seems that we will be able to increase the production of steel within the period of the plan only to the extent of about one to two lakh tons and pig iron production is supposed to increase by 3.5 lakh tons. I would earnestly request the hon. Minister of Commerce and Industry to look into the matter and place this on a higher priority, because, without the development of iron and steel, the country's economic development plans cannot progress. As you have ruled, Sir, that in this particular debate, Members need not go into the wider questions of industrial development and the loan, I am leaving this point here.

But, I would like to refer to the report of the Tariff Commission as regards the share ratio for amalgamation. The report, on this particular point, in my humble opinion, does not do any credit to the Tariff Commission. I have been one of those persons who have been following the work of this august body very carefully and I have been one of its consistent admirers. But, on this particular occasion, I cannot help pointing out that the manner in which they have come to this ratio is very slipshod and not at all convincing. I want to make it clear at the very start that I do not disagree with this ratio of 4:5 which they have arrived at; but they have worked this out not through a process of elaborate reasoning as they should have done, but more or less by a rule of thumb. Sometimes a rule of thumb works. I would like to go into this in some greater detail. In para 8 of their report they say:

"We have also considered whether a comparison of the equity

value of the ordinary shares of the SCOB and IISCO can be a reasonable basis for determining the relative value of these shares. We are of the view that equity value is not a correct measure of the worth of a going concern which primarily depends on the earning capacity of the concern."

When two concerns are amalgamated, it is surely not their earning capacity which should be the main criterion but also the value that the shareholders will ultimately get. After all, shareholders who invest their money in sound companies, invest not only for the dividend; but they invest for the purpose of seeing that their capital is safe, that it is invested in a concern which is a sound concern, whose original block is sound, whose depreciation allotment is adequate, whose reserves are kept on a reasonable basis. I think that the Tariff Commission should have given more consideration to these considerations and at least should have gone into this aspect of the problem in a much more discursive manner than they have been pleased to do.

After making their submission in these two lines, they came to the final conclusion and say:

"On a careful consideration of what is set out in paras 5 to 8 above, and having regard to all other relevant factors, we have come to the conclusion that the ratio of 4:5 would be a fair ratio."

This reminded me of the Radcliffe award, who, after going into all the elaborate arguments said, in our opinion, this should be the line for the partition of the country. I hope, that the hon. Minister of Commerce and Industry will please bring this to the notice of the Tariff Commission and if that body is not adequately staffed with a competent Accounts Officer, steps will be taken to see that the requisite personnel is placed at the disposal of the Tariff Commission.

**Sri T. T. Krishnamachari:** If the hon. Member is suggesting that no Accounts Officer has gone into this question, I may at once tell him that he is wrong.

**Shri Bhausa:** What I submitted was that if the Cost Accounting Officer was there, the way in which he or the Commission has gone into this work pays scant compliment to their ability. That is all I was trying to suggest.

A point was made by my hon. friend Mr. A. C. Guha about the loan and its terms. I have also the same report of the Tariff Commission before me.

{Shri Bansal}

The only assurance that I find here is this:

"We recommend that an assurance be given to the two companies to the effect that, should the two plants be amalgamated, the retention price of steel produced by the amalgamated concern will be calculated on exactly the same principles as have been applied in the case of Tatas. In other words, the block to be taken into account in determining the retention price of steel, in the event of merger, will be the combined block of the SCOB and the Hirapur works."

I do not see any other assurance here to the effect that they will be allowed to charge a higher retention price or that some other concession will be given to them.

Regarding higher retention price, I would just bring to the notice of the House that on a number of occasions, suggestions have been made to the Government of India by various eminent persons that as our prices of steel are the cheapest in the whole world, Government should charge slightly higher prices on the steel that is sold to the customers and earmark that amount to be given either as a loan or for starting new steel concerns. But, what is the idea behind it? The idea behind the suggestion is that the money that is so raised would ultimately be utilised as a capital block either for new companies or for existing companies.

Shri A. C. Guha: That fund is only about three or four crores as was stated by the hon. Minister a few days ago.

[PANDIT THAKUR DAS BHARGAVA  
in the Chair]

Shri Bansal: The suggestion is that that fund may be further augmented. After all, the price at which Indian steel is selling is roughly 50 per cent. of the world price. We require steel capacity in this country, and everyone agrees about it in this House. We are producing only about 1½ per cent. of the American production. It is not even one per cent. of the world production. It is about half or ¾ per cent. of the world production. Every step should be taken to increase the production of such important commodities as iron and steel, and if there is a shortage of capital, and if capital is not forthcoming—after all, Government do not have unlimited capital at their disposal; it must come from the public. And one suggestion that was made from time to time—I

think Government will be well-advised to consider that suggestion, and I fully commend it—is to charge higher retention price for steel, and earmark the difference for being put in a block account so that it may be used for capital either for a new plant, for the development of a pig iron plant, or for a combined plant, or for giving financial aid to existing plants. There should be no difference of opinion on this measure which is a logical measure.

My hon. friend Mr. Guha, somewhere in the middle of his speech, gave very cogent reasons as to why the two companies should be amalgamated. What was the position? The position was that SCOB were depending for the essential raw material of steel on IISCO, and there were very onerous conditions placed on SCOB, in their way of utilising that raw material, and, in fact, they were almost mortgaged to the IISCO. That position has been before the Government for the last four or five years. They appointed the Tariff Board and then the Tariff Commission to find out how best to get over the difficulty, and ultimately, the Tariff Commission suggested a formula that these two companies should be merged so that all these bottlenecks may be removed.

Shri A. C. Guha: It was only in 1949.

Shri Bansal: And it is our good fortune that not only has Government come out with an Ordinance and the Bill but the companies themselves have agreed to accept the proposition. I have also before me the circular letter of the chairman of the two companies which was issued to the shareholders, and the relevant sentence reads:

"As a result of that visit"—this refers to the visit of the International Bank. "As a result of that visit and the report made by such Mission, to the Bank the Government of India has now been officially advised that the Bank is prepared to negotiate a loan of approximately Rs. 15 Crores to the Indian Iron & Steel Co., Ltd., for purposes of an expansion programme conditional upon the two companies amalgamating."

The Bank or the Government do not say "We will give you a loan". They have only agreed to negotiate a loan, and therefore, the boot is quite on the other leg. It is not the Government who have been placing themselves under any obligation. These companies, in the course of deciding the retention price of their products, are coming to Government for aid in regard to the loan. They have been wanting Government's favours, and



Government told them, after the recommendations of the Tariff Board and the Tariff Commission: "If you want our aid, you must abide by the condition that you will have to amalgamate". They have now agreed to amalgamation, perhaps because they had no other go, but the fact remains that they have agreed. In this case where there is complete agreement between the Government and these two companies, I do not know why the House should be suspicious or try to stand in the way. After all, *Miyon bibi razi to kya karega kazi?* It is a question of both the parties agreeing, not to the detriment of the country. If there is any onerous condition in the loan, or if the House finds that the terms of the loan are such that the House should not agree, they can always throw it out. I am sure, and I will be one with Mr. Guha to vote with him if Government entered into any loan agreement which is not acceptable to this House.

With these few words, I support the Bill wholeheartedly.

**Shri Sasappa (Tumkur):** Before I speak a few words on this Bill, I crave the indulgence of this House for a few minutes because I am speaking for the first time in this House.

This scheme of amalgamation is one to be welcomed by this House. In these days of shortage of steel in this country, any such scheme must be welcomed. The position of iron and steel industry requires thorough examination. What are the requirements of iron and steel in this country, what is the production side of it, how much more we want, and what are the schemes before Government to fulfil these requirements—these are the things to be considered, and I believe these are relevant to the point at issue.

As far as I can see—and the reports that have been given to us clearly show—nearly 25 lakh tons of steel is required by this country, annually. A rough estimate has been given because our statistics are not so correct, but hereafter, I hope, an effort will be made, under the programme of the Five Year Plan, to have correct statistics, but taking the rough estimate given, that is, 25 lakh tons annually, and seeing the various companies that are producing iron and steel, we come to the conclusion from the records that about eleven lakh tons of steel are available, and the main producers are the Tata Iron & Steel Co., Ltd., The Steel Corporation of Bengal Ltd., The Indian Iron & Steel Co., Ltd., and the Badhravati Iron Works Ltd.,

Mysore. These are the companies which contribute to these eleven lakh tons of steel, and now the scheme before the Government is for the amalgamation of two companies. The object is two fold, as they state in their Statement of Objects and Reasons.

The first is that the position of the companies will improve considerably and shareholders will have a bright future before them if this scheme of expansion goes through. And the other more important thing about which this House is very much concerned is the general interest, the national interest. The nation-building activities of this country require vast steel and if we only look at the development projects, we see the size of the problem. Our defence requires enormous steel. Again, our Railways consume a large part of our steel products. The railway coachmaking and the locomotive engines which are going to be produced require enormous steel. Also the general public, both agricultural and non-agricultural, require iron and steel. The refugee housing is an enormous problem to be tackled. Therefore, we see that various schemes require iron and steel, and this scheme of amalgamating the two companies is certainly to be welcomed.

We hear so much of blackmarketing in steel. That is because of the shortage, and the only way of getting over this blackmarket and corruption in iron and steel is to produce more. Even today for black sheets and corrugated iron sheets which cost only Rs. six to Rs. seven each, in the blackmarket you have to pay nearly Rs. ten to Rs. twelve. That means you can understand to what extent there is blackmarketing. Of Course, you may say, there is the Iron and Steel Control Order. But how far can it go? This Order has been able to do some justice and has been able to see that things are done properly. This point is beyond the scope of this debate I can very well see, but at the same time, when we are considering this question of increased production, I cannot but tell the House about this blackmarket and shortage of steel. The only way to get over it is by amalgamating these two companies. By having a scheme of more production in these companies, we can, to a very great extent, overcome this shortage of steel and blackmarket and corruption will, to some extent, vanish from this country.

Then again, there is the question of rehabilitation or replacement of these

[Shri Basappa]

plants. That is a very big problem, because of overproduction during the time of the war, our steel plants have come to a stand still; they have decreased production. The figures here show that from 1943 to 1946 it went on increasing from eight lakh tons to about eleven lakh tons, but afterwards there was considerable decrease because of overproduction during the war-time. From 1946 to 1948 the production figures came down. Therefore, the question of rehabilitation and replacement of these big plants is quite necessary. I read somewhere that out of about Rs. 27 crores of the estimated cost of the plant of the Tata Iron and Steel Works, nearly Rs. 17 crores worth of plants require replacing and rehabilitation, so that it may come to its proper production level. The Government has to give great attention to this problem also. In this question of amalgamation, the Government is thinking of devoting its efforts to solve this rehabilitation problem also. Even these will not be sufficient, because as I told this House just a minute before, our requirements are put into operation, the full process we still have only an estimated eleven lakh tons, and even if the expansion schemes of these companies are put into operation, the full production will only be 16 lakh tons, and still there will be a shortage of about nine lakh tons of iron and steel in this country. Therefore, the Government must take it up with all seriousness to see how this deficit of about nine lakh tons is going to be made up, in spite of the expansion of the steel industry in this country. Therefore, I say that Government should start very improved and big iron and steel plants in this country. It is a good sign to see that in this Parliament questions are asked as to when the Government is going to start iron and steel plants in Bihar or in Madras. We also hear of Japanese industrialists coming to this country and starting industrial plants here, provided there is help from this country also. These are good signs, and the Five Year Plan of our country also is thinking of very big schemes in this connection. As I see from the report that has been given to us, the development programme in the public sector provides for new iron and steel projects at an estimated cost of Rs. 80 crores, over a period of three years from the date of commencement, and an expenditure of Rs. 30 crores is to be financed partly by Government and partly by private enterprise. You can easily see the anxiety of the Five Year Planners to have a big iron and

steel plant in this country. These are the several factors which must be taken into consideration, while developing this industry.

Coming to the exact question of the amalgamation of these companies, there is one very important factor which I want to stress here, and that is the question of the retention prices. This amalgamation has become possible because the Tariff Board has recommended a higher retention price for the steel produced by the Steel Corporation of Bengal. If this higher retention price is not going to be given, even the Tariff Commission goes to the extent of saying that it may not be possible for the companies to be amalgamated, and so under these circumstances, there is a higher retention price given for the steel produced by the Steel Corporation of Bengal, during the years 1951-1952. Here I must submit that the interests of the consumer are to some extent jeopardized, because the big industrialists go with a big slice, because they get so much of loans from the Government and so much of foreign aid for these amalgamated companies. Certainly it has to be welcomed, but at the same time, we cannot forget the consumers' point of view. When the higher retention price is given, naturally the price of iron and steel will go up in the country. Sometimes, iron and steel are poor man's material. Therefore, on what basis they had to give this higher retention price could also be examined, as also the correct cost of production, which is another factor that comes before us in this connection. You will see that the cost of production of iron and steel produced by the Tatas is much lower than the cost of production of the steel produced by the Steel Corporation of Bengal or some other company. I can understand the reason for this. The Tatas have played a very important part in the private sector of the country to have this big company. But at the same time we cannot allow any retention price being given to a company producing iron and steel, without any limits. There must be a limit to it. Formerly the Government used to follow a uniform policy in the matter of retention prices. Of late, the pressure from the industrialists must have been very great--and perhaps the anxiety of the Government to produce more iron and steel in this country is also another factor--so that they have gone to the extent of giving a greater retention price for the

iron and steel produced by a particular company. The Government has to examine the cost of production and the overhead charges, and take into consideration the normal price of iron and steel in this country. All these things have to be considered carefully.

Another point which I want to stress in this connection is the question of differential retention prices for different companies. The Chairman of this amalgamated company has expressed an opinion that at last the Government has been able to recognise the principle of differential retention prices for the iron and steel produced in different companies. But again the question of the consumers' interests comes in. So while fixing the different retention prices in the case of the different companies, care should be taken to see that the prices of iron and steel do not go up to the disadvantage of the consumer.

In this connection, it may not be out of place if I draw your attention to the Bhadravati Iron and Steel Works in Mysore, from where I have the pleasure of coming to this House. The Bhadravati Iron and Steel Works, though a Government concern is very much neglected. In the past there was a time when it was considered by the people of Mysore and also the legislators of Mysore, to be a white elephant, and therefore they said that it must be closed down. In these circumstances, we can imagine under what difficult circumstances it has made its headway in this country. The iron and steel produced in this Iron and Steel Works is not very sufficient and so the Mysore Iron and Steel Works must be given greater attention in the matter of development of iron and steel. This Works is producing to the extent of about 40,000 tons of iron and steel. The Government has an expansion scheme to increase it up to one lakh of tons in the course of these four or five years. Of course, the Government of India has given a loan of about Rs. 40 lakhs to this company. But what is the ratio in which other companies are helped and this concern is helped? This is a Government concern in which lakhs and lakhs of people are interested, and so if any help is given to this, the benefit will also go to lakhs and lakhs of people. It is therefore high time that this Government should open its eyes and see that more grants are given to this concern and also more electricity is available nearby, and see that very good use is made of this Iron and Steel Works.

I will not take up the time of this House any further, because as I have

already told you I am speaking for the first time, and I do not know how I am going to interest this House any further, nor do I possess any humour to delight the House or the oratorical gift of Mr. Chatterjee or Mr. Mookerjee on this side, or the dynamic personality of the Members on the Treasury Benches. Still what I felt I have expressed, and I thank the House for having given me this opportunity.

**Dr. M. M. Das (Burdwan—Reserved—Sch. Castes):** The Bill before the House is a very welcome measure, and I congratulate the hon. Mover and our Government for bringing before this House this very useful measure. My hon. friend Mr. Bansal said a few hard words and expressed some doubt about the wisdom of the members of the Tariff Commission. I do not claim to have, like him, intimate experience for a number of years about the industry and commerce of this country. But I have gone through the report of the Tariff Commission, so far as these two iron and steel companies are concerned, in which they have recommended their amalgamation. The Tariff Commission has taken into consideration the earning capacity, the dividend given by these companies during the last ten years and the prices of the shares of these two companies as fluctuating in the Calcutta Stock Exchange. By a careful perusal of this report it will be clear to everybody that there were many things more which were considered by the Tariff Commission, but for some reason—most probably for the safety and security and well being of these companies—they did not want to divulge those secrets of these companies and they were not mentioned in the report. Anyway, I am not prepared to agree with the unqualified and unwarranted attack that was made by my hon. friend upon the members of the Tariff Commission.

Within a very short time our Government has come before this House for the second time with a proposal for enacting measures for amalgamating two big concerns. The first occasion was when the Banking Companies Act was amended and this amendment of the Banking Companies Act was thought necessary for the amalgamation of three Calcutta banks to form the United Bank of India. The present is the second occasion on which our Government has come before this House with an entire Bill for amalgamating two iron and steel companies. Such amalgamation of two or more independent commercial or industrial concerns whenever necessary for their economy and efficient administration and expansion, not only in the interest of the general public but also in the interest of the concerns themselves,

[Dr. M. M. Das]

should certainly be encouraged. But while encouraging the amalgamation of such concerns, a careful watch must be kept by our Government so that such amalgamation may not give rise to monopolistic tendencies. Although in the present case there is no cause at all for such apprehensions, yet there may be cases where different concerns of the same category may desire to amalgamate only to create a monopoly and to eliminate competition. It must be remembered that it is competition and competition alone that safeguards the interest of the consumers in a country where private enterprise exists and flourishes. It is competition that improves the quality, reduces the price and protects the consumers' interests in every way.

The number of protected industries is increasing every day and we know that protection is always given at the cost of consumers' interests. The present measure is the result of implementation of only a part of the big industrial policy which our Government has enunciated for the economic development of this country. While congratulating our Government on the measures they have taken, I am constrained to point out that there are some loopholes, lacunae or defects in their industrial policy which defeat, at least to some extent, the very purpose for which it has been enunciated. The House knows that huge quantities of scrap iron are exported every year to foreign countries, especially Japan. I think the hon. Minister should...

**Shri K. K. Basu:** He does not want to hear.

**Dr. M. M. Das:** I do not know the exact quantity of scrap iron that is exported every year from this country. Perhaps the hon. Mover of this Bill will be in a position to enlighten this House about this matter. Every year very large quantities of scrap iron are exported from this country. I do not know the exact quantity, but this much I know that from Calcutta, the city from which I come, this trade is going on all the year round for the export of scrap iron from that port. From the port of Calcutta every year at least thousands of tons of scrap iron are exported. Like the proverbial one idea of Aesop's fable, our Government is concentrating all its attention in increasing the production of steel. I wholeheartedly support their policy of increasing the production of iron and steel, but at the same time I must submit that our Government should not be less careful in utilising the available raw material of iron and steel which is available in this country to

the best advantage of the industries of this country.

We are informed that huge quantities of scrap iron are lying in Andamans. I do not know whether it is true or not and whether our Government is making arrangements for their export. I ask the hon. Minister: can we not use this huge quantity of scrap iron in this country in our industries? Every year we have to import very large quantities of iron from foreign countries at an exorbitant price. If we can use this scrap iron which is available in this country, we can at least reduce the quantity of our import of iron and steel and thereby save valuable foreign exchange, the amount of which will be much greater than the value of the scrap iron exported from our country.

A similar suicidal policy was adopted in respect of export of pig iron to Pakistan sometime back. The foundries of Calcutta were starving for want of pig iron while Eastern Pakistan which was always the cheap market of the Calcutta foundries was supplied with all pig iron and other things by our Government to run their foundries.

Before I conclude, I would again ask our hon. Minister to inform us whether the export of scrap iron from this country has been brought to the notice of the Government and whether they have formulated any policy about it.

4 P.M.

**Shri V. B. Gandhi:** Of course, no argument is necessary in this House to emphasise that steel is one of the most vital needs of the country and in respect of steel production our country has a great deal of leeway to make up. Steel is one of those materials by which the industrialisation of a country is measured. In fact, the amount of consumption of steel in a country is considered as a fair index of the stage of industrialisation of that country. And in that respect, how do we stand? In one of the pamphlets issued under the Colombo Plan, we have the figures given of steel consumption in a few countries. In the United States, the steel consumption per capita is 364 units; in the United Kingdom it is 194 units; in Malaya it is 16 units, in Ceylon it is 6 units and in India it is 3.8. So, that is where we stand in respect of steel consumption today. And, therefore, a measure that is calculated to increase our steel production is bound to have the whole-hearted support of this House. Although we stand today at the bottom of any list of steel consumption, our country fortunately is in a position where, if properly worked, our resources and



our facilities should soon place us at, I would say, some higher position in the international list. It is very interesting to read in the report of the Tariff Board of May 30, 1951, the opinion expressed by Mr. Peter V. Martin of Coppers Company Inc. of Pittsburgh. Mr. Martin was engaged by the Government of India as a technical adviser to the Tariff Board and was commissioned to carry on certain investigations about the possibilities of steel production in this country and here is what this expert has to say. He expresses "his strong conviction that India's resources and facilities for the production of steel are superior to those of most steel producing countries of the world".

Now, that is the kind of future we can have if we only work for it and this Bill that is before the House is one step in that direction. The hon. Minister of Commerce and Industry in his speech moving the Bill told us that there are two objectives before us. One objective is that we can expect as a result of the passing of this Bill an additional output of steel in the country, and also that the two companies, after amalgamation, will prove to be an economic unit of production. We shall be very pleased to support anything that is calculated to serve this two-fold objective. But, in the materials that have been placed in our hands, whether in the form of reports of the Tariff Board or reports of the Tariff Commission or the Statement of Objects and Reasons of this Bill or several other letters that have emanated from the Ministry of Commerce and Industry, the thing that is too much in the picture is not either the additional output or the possibility of these amalgamated companies proving to be an economic unit of production, but what is too much in the picture is what the Steel Company of Bengal demands as a price to persuade it to amalgamate or what we have to pay to persuade it by way of offering finances or by way of giving the guarantee for loans from the International Bank or by way of giving it a higher retention price. We certainly do not object to doing all these things since the objectives which are expected to issue from these things are objectives which we desire.

How does the whole thing start? For instance, the Steel Corporation of Bengal begins by telling us—I am quoting from page 25 of the Tariff Board's report:

"The Steel Corporation of Bengal representatives urged that the negotiations for the proposed merger would be gravely impeded

if the Steel Corporation of Bengal's retention prices for 1951-52 were retained at the present level."—In other words, their demand is that these prices should be put up. They further go on and say that —"any uncertainty about the prices to be received by the SCOB in the near future would make the merger a practical impossibility"

Now, as we know, this question of retention prices has been carefully examined by the Tariff Commission and the prices have been fixed at a point satisfactory to all concerned. And since the matter has been so thoroughly gone into by the Tariff Commission, I am quite sure it is all agreeable to us.

But, then their next demand is that the SCOB should be placed in a position of earning dividends very much near what the Indian Iron and Steel Company has been earning over a number of years in the past. The figures are already given there. In 1941, the Indian Iron and Steel Company earned 22½ per cent. or declared a dividend of 22½ per cent. as compared to ten per cent. of SCOB. In 1942 it was 22½ as compared to SCOB's ten in 1943, 20 to SCOB's 8½. In 1944, 17½ to 8½. In 1945, 15 to 8½. In 1946, 15 to five. In 1947, 3½ to nil. In 1948, 7½ to 3½. In 1949, ten to 6½. In 1950 ten to 6½. Now, this disparity between the earnings of the two companies, it has been represented to us, has been the principal impediment in the way of amalgamation. In other words, the new retention prices are to be such as will enable the SCOB to earn a dividend somewhere near what the IISCO has been earning. All this is really the price that we are going to pay or we are asked to pay for bringing about this amalgamation. In short, from all the materials that we have had in our hands, there is a general picture and all these things pass before our mind's eye. We see mention of retention prices here and everywhere; we see shareholders' interests being considered; we see ratios of the companies' shares being fixed by the Tariff Commission. We are asked to consider the improvement in the financial position of the SCOB as compared to that of the IISCO. There is the question of Government undertaking to advance a loan of five crores of rupees. Government is being asked to guarantee a loan from the International Bank for these companies. All these things are there. But not enough has been said about the gain that we can expect. I have no doubt that there will be a gain. I have no doubt that the judgment of all these people including the Tariff Commission which has investigated all these matters should be

[Shri V. B. Gandhi]

relied upon and this House will certainly be glad to rely upon it. But my complaint is that not enough has been said to us about the other side of the picture, viz. the gain. For instance, there is a passing reference to some schemes of expansion. There is only a very passing reference to increased production. There are just two figures mentioned in passing by the hon. Minister of Commerce and Industry—400,000 tons of steel and 280,000 tons of pig iron. To a layman like me, it is not very clear what exactly we are going to get. We miss in the handling of this Bill the very helpful reports and materials that usually emanate from the Ministry of Commerce and Industry along with the propositions that that Ministry brings forward before this House.

One last thing before I conclude, and that is that the hon. Minister in his speech has said that what we are proposing to do in accepting this Bill is going to be a big step in the shape of Government intervention in private industry. I fully agree with him there. I would even say that what he has said is an understatement. Actually, considering the scale and method of intervention on the part of Government in a private industry of this kind, what we are doing is really going to be a landmark in the economic policy of this country and of this Government. Here I would only suggest that considering the enormous interests of the tax-payer, the Government and the country as a whole that are involved in this big step, Government should consider the formation of some kind of an Iron and Steel Board. The industry is at present being helped piecemeal. We are having one policy for the Tatas. We are having another scheme for this amalgamated company. Perhaps, we would be called upon to help several other small units, and also many new units that are coming into existence. I would therefore suggest that the Ministry should consider the desirability at an early stage of having some kind of an Iron and Steel Board: A very interesting experiment—or rather a very interesting proposal for the formation of such a Board is at present being actually discussed in Great Britain. We are only receiving in the Press a very few, small and sketchy outlines of that proposal. It should be looked into thoroughly and I think that it would be a great help to the industry, which all of us are pledged to support.

**Shri P. C. Bose (Manbhum North):** It is evident from the Statement of Objects and Reasons that this amalgamation is already an accomplished

fact. The amalgamation has been effected by an Ordinance promulgated in November this year and this Bill, as I understand it, is only meant to ratify that amalgamation and it is being introduced to replace that Ordinance. This amalgamation was taken up on the recommendation of very important bodies—the Tariff Board and the Tariff Commission—and I think that Government would have failed in their duty if they had not brought this Bill to ratify this Ordinance. Personally, I feel that the amalgamation has produced good results and I support the Bill wholeheartedly.

But there is one point which I want to bring to the notice of the hon. Minister with emphasis, and that is that this amalgamated company has already started retrenching staff on the ground of amalgamation, and I am very sorry to learn that already about 100 men have so far been retrenched by this factory or by that factory. This point has been overlooked by the Government in bringing out this Bill. People who have been working there for years and years and who are burdened with families in these difficult times are being thrown out of employment in bringing out this Bill. People is of great national importance. This amalgamation is really very necessary, but I wish to bring it to the notice of the hon. Minister with emphasis that this is a matter which should be taken up. He should see that no employee is discharged on the ground of amalgamation.

**Shri B. S. Murthy (Eluru):** This is an employers' business.

**Shri P. C. Bose:** But the employees who work there are a part and parcel of this amalgamated concern. You cannot say good-bye to all employees and have a national concern in this way.

Lastly, I believe that this amalgamated concern is going to expand its production by expanding the factories and mines. It may be that for the present they may not expand and they may find it difficult to retain all the staff because of the amalgamation, but when they expand later and when they have to recruit again, my question is: why should they discharge all these old and experienced employees? Therefore, while considering this question, Government should also take into consideration this question of retrenchment of the staff. I am very much concerned with this matter, because I come from that area. About 100 men, I am told, have been already retrenched and they are going about without employment. That will again



create further trouble for you. Already there was a token strike in the concern on account of retrenchment—a one-day strike. Perhaps, Government are not aware of it. So, if this matter is not taken up there is likely to be further trouble. I think Government should very seriously consider this question after this Bill is passed, and they should see that no man is retrenched on account of this amalgamation. Otherwise, the very object for which this Bill is being brought will be defeated.

**Shri Nevatia (Shahjahanpur Distt.—North cum Kheri—East):** I welcome this Bill because it enables giving effect to the schemes for the expansion of steel production. As stated in the Statement of Objects and Reasons, there is a serious shortage of steel and every citizen feels the pinch of that shortage.

The Bill is more or less of a non-controversial nature and should receive unanimous approval of this House.

I wanted to say a few words about what my friend from Mysore stated about the retention prices. He said that there was some objection to the retention prices given to these steel concerns. He also spoke about the difficulties of the Bhadravati Iron and Steel Co. This Company has done a good job. But had higher retention prices not been given, this company would have come to grief. A high retention price had to be fixed for the Bhadravati Iron & Steel Co. to enable it to live. In a sellers' market when the factories are not allowed to take advantage, it is the duty of the State to give them at least their cost plus a reasonable profit and some allowance to modernise and replace their plants. This is what has been done by the Tariff Commission.

In this connection I would like to draw the attention of the hon. Minister to the fact that while a great deal of attention is paid to the main producers, there are other producers, secondary producers who also have capacity though not very large for producing steel. There are a few electric furnaces situated in various parts of the country. They are using scrap material for smelting by electricity. They have got capacity of producing 60,000 tons a year—perhaps more. But, unfortunately, they are handicapped for several reasons. One is in the matter of retention prices. They have been struggling hard for several years to get a reasonable retention price. This question was re-

ferred only recently to the Tariff Commission. I believe the Tariff Commission has submitted its recommendations to the hon. Minister and I would request the hon. Minister to give an early decision on this subject.

The second difficulty is export of scrap about which Dr. M. M. Das said a few words. The main raw material for these electric furnaces is scrap and as it has been allowed to be exported in very large quantities, they are at present falling short of good scrap. For better type of steel better type of scrap is required and they will not be able to manufacture good steel if all this good scrap is allowed to be exported. So, I would request the Minister kindly to look into the problem of export of scrap, particularly good qualities of scrap which are required for these electric furnaces.

There is some method by which these furnaces can draw the attention of the local authority when the scrap comes into the docks. But then it is too late and whenever any attention has been drawn it has been ineffective because the scrap has already come to the ports. Then there is the question of electricity. Electric furnaces use electricity as fuel, not as power. When the cost of electricity is very high, the cost of the finished material also becomes high. So, it is necessary that if we want to encourage the establishment of electric furnaces in India which enables scrap material to be utilised without very large capital being invested, then it is essential that cheap electricity should be provided.

The other thing about which I have to say something is regarding the recent agreement that the Government had entered into with the U.S.A. under which they are importing 55,000 tons of steel. There are many re-rolling mills in India. They want billets, that is, semi-finished steel. These can be converted into rolled bars according to the regional needs. The capacity of these steel rolling mills runs into several lakhs of tons but they are short of billets. It will be better to import billets rather than steel bars. As the House is aware, many countries are giving employment to their people by importing raw sugar. They establish refineries and give protection to them. There is a very small duty on raw sugar but there are heavy duties on imports of refined sugar. This is just to give employment to people. These rolling mills give employment to a good number of people, both skilled and unskilled. When a certain steel section is in short supply, they are able to manufacture and meet the immediate requirements. As they cannot

[Shri Nevatia]

get raw material for running even one shift capacity, it is necessary that, as far as possible, whatever steel is imported, should be in the form of "semis" and not in the form of finished material. These are the few requests that I have to make to the hon. Minister and I hope that he will kindly look into them.

Shri V. P. Nayar (Chirayinkil): The other day, when we were discussing this Bill, I had occasion to refer to a point which presented a Constitutional difficulty to me. I then urged that the Chair should give a ruling but you told us that it is not a matter for the Chair to decide. With all humility, I would submit that when the Chair is convinced of the flagrant violation in any Bill of the provisions of the Constitution, the Chair must exercise its unfettered right. It is precisely because of this that a convention has been allowed to grow in the so-called parliamentary democracies to arm the Chair with the necessary powers, so that the Chair may be above all party politics and party considerations. I do not want to discuss this any further but you know, Sir, how questions are decided in this House. There is possibly a signal from the Government Whip when all the political semaphores on the Government side go into action. They do not consider the Constitutional relevancy of any question. So, I am forced to submit for the consideration of the House in an attempt to convince the House, that here is a Bill which is, as I said before, a flagrant violation of certain provisions in the Constitution: not one but three provisions in the Constitution.

I wish to reiterate my point which I raised the other day. Under the provisions of the Constitution, the Bill is clearly outside the scope of legislative competence of this House. Let us make no mistakes about it. I am sure the hon. Minister who is in charge of this Bill was aware of these constitutional difficulties. That is precisely the reason why he kept concealed a second line of defence, which he conveniently borrowed from the Attorney-General.

Shri T. T. Krishnamachari: I did not borrow. It is intended to be made use of.

Shri V. P. Nayar: The hon. Minister who was a very energetic and enthusiastic member of the Constitution-framing body brought out a note on the impossibility of such an interpretation

being put into this. It was because of his own doubts that he anticipated this difficulty and armed himself with what I call a camouflaged second line of defence. I am sorry I have to refer to this but when one speaks on a Bill which is moved by this hon. Minister, one has to be very careful about it. I had the bitter experience the other day, when I was speaking on the Forward Contracts Bill. The hon. Minister conveniently ignored all relevant points which I raised and confined his reply to me by saying that I found printed support and printed secondhand support of my arguments. Here is a case in which the hon. Mover could not find even printed secondhand support but he finds only secondhand typewritten support. Therefore, I have to rely on certain authorities, the genuine nature and authenticity of which, I hope, the hon. Minister will not and cannot question.

Of course, the hon. Minister, as I said before has been shrewd enough to anticipate. I find that even on this entry, that is Item 43 of List I of the Seventh Schedule of the Constitution, the hon. Minister had tabled certain amendments. He knew the spirit of the particular entry as it was before the House then. So there is no escape from it. It speaks of his personal knowledge of the complications of this entry that he was careful enough to have with him the predigested opinion by the Attorney-General and of course he did not take the House into confidence. He probably wanted to test the alertness of this side to point out this defect. But when once this was pointed out suddenly he jumped up, took the floor and said, "I was fortunate I have got the legal opinion on the point in which my friend has been struggling in vain". I have gone through the particular case which the Attorney-General refers to. It is here before me. There is not one word in the judgment of the Supreme Court in the case of *Charanjit Lal versus the Union of India* reported in A.I.R. 1951, from page 41. You will see that nowhere, not even in any single place, has the word "amalgamation" been defined, by their Lordships.

In that case the facts were entirely different. My hon. friend perhaps thinks that it is a case in which a definition of the word "amalgamation" was given by the Supreme Court. It was a case in which a certain company which was not functioning properly was taken over by Government under another provision of the law. There the provisions of the Companies Act were the relevant provisions. Here it

is an entirely different case with entirely different set of facts.

I shall presently read out certain portions from the Supreme Court Judgment to show that this Bill is outside the legislative competence of this House. I would very gladly give this book to the hon. Minister, because I am positive that the hon. Minister has not had either the patience to go through this judgment or to digest its contents. If he had only read it with patience and care, he would never have come out with the reply, that the Attorney-General says that, at a portion of the decision of the Supreme Court there are some words which will justify his stand. I have very carefully gone through the whole judgment, but I cannot find anything to justify that stand.

In page 42 you find: "It is also significant that to make out a case under this article, it is incumbent upon the petitioner to establish not merely that the law complained of is beyond the competence of the particular legislature or has not been covered by any of the items of the legislative list, but that it affects or invades the fundamental rights guaranteed by the Constitution, of which he could seek enforcement by an appropriate writ or order."

Now, the position here is the same. I say that here is a Bill which has been brought before the House, which does not fall within the ambit of any entries of List I relied upon by the Minister. I also say that by bringing forward such legislation, there are chances of our infringing the fundamental rights. It is well known that the Constitution guarantees certain fundamental rights, any abridgement of which is very strictly limited. If my hon. friend is able to convince me by any means that here is a Bill which does not infringe any of those provisions, then I am open to correction. The learned Attorney-General might say that it has got only a very remote connection. I would beg of you, Sir, to read the particular entry and the relevant provisions on fundamental rights. The connection is not remote. What I feel is that the connection which is alleged to be remote by the Attorney-General is indeed a remote argument. The connection which exists between the infringement of fundamental rights and this particular Bill is very direct.

I have to differ in this particular view, from the learned Attorney-General—I am very sorry to do it. I know that he is a man of very great legal

acumen; I know that he is a man of very great erudition. But it is open for humble people like us to differ when the facts are very clear, when the judgment to which he refers does not relate to same set of facts, or the judgment upon which he builds up the whole argument does not relate to a set of facts similar to the one now before the House.

I would again submit for your consideration that amalgamation is, the main purpose of this measure. You will find it from the Statement of Objects and Reasons; you will find it in the Title of the Bill; you will again find it in the Preamble of the Bill. But that word "amalgamation" is certainly outside the scope of the entry that is referred to and relied upon by my hon. friend—that is entry No. 43 of List I of Schedule VII. That entry only refers to "incorporation". It is well known to everyone of us that "incorporation" is not "amalgamation". Incorporation and amalgamation are fundamentally different things. If you say that it is incorporation, you presuppose that there is no existence of a corporate body. If you say that there is amalgamation, you presuppose the existence of two corporate bodies. This is a fundamental difference and with this fundamental difference, you cannot by any force squeeze the word "amalgamation" into the provisions of item No. 43. If amalgamation does not fall within the purview of this List, then it is a flagrant violation, whatever may be the object. Perhaps the hon. Minister may have very laudable objects in view—I do not deny that. Perhaps he has some other purpose for bringing forward this legislation in the interest of the country—I do not deny that either. But here is a case in which this House has been called upon to pass a piece of legislation which is clearly, specifically, against the provisions of the Constitution. This House abounds in commonsense—I am sure that that side of the House has it at least to some extent. But should we for that reason flout our Constitution? They have enacted and given to ourselves this Constitution. Is it not open for the Members on the other side not to sit as political semaphores and raise their voice against a flagrant violation of the Constitution?

I know that the hon. Minister knows the Constitution very well. He was a member of the Drafting Committee also. He, therefore, knows the spirit of it. Unfortunately for him, he now sits on the Government side and he has conveniently ignored the spirit of

[Shri V. P. Nayar]

the Constitution. Again, for the benefit of the House, I will read the particular entry. Entry No. 43 relates to:

"Incorporation, regulation and winding up of trading corporations, including banking, insurance and financial corporations but not including co-operative societies."

I would again beg of the hon. Minister to tell me in which word this "amalgamation" can be squeezed in.

**Mr. Chairman:** This is the fourth time that the hon. Member is repeating the same argument.

**Shri V. P. Nayar:** Then you have not heard me, Sir. If the face is the index of the mind and understanding, I am apt to repeat ten times. I am straining to argue a point and I find that the hon. Minister is leisurely chit chatting with one of the Whips. That is why I am forced to repeat again and again in the hope that at least once he will hear something of what I say. Now let the hon. Minister forget for a while that he has had the opinion of the learned Attorney-General for his assistance. Let him consider the days when he was a member of the Constituent Assembly. Let him consider the enthusiasm and care with which he used to send amendments to the provisions of the Constitution.

The Constitution is a very sacred document for the House. Perhaps, it was very carefully prepared. I submit that with meticulous care every sort of repetition has been avoided in that document. Here is a case in which there is doubtful parentage for a particular Bill. The law courts will never construe that this Bill, if not within the ambit of a particular entry may be within the ambit of another entry. We know the importance of the language according to the present canons of interpretation. Such Statutes are always construed with a more attentive regard to the language. It may be different in case of a penal statute. We know that in the case of a penal statute interpretation is based on a rational regard for the aims and objects of the legislature. In regard to the interpretation of a legislative measure as the one now before the House, every court will only follow the Supreme Court. When the Supreme Court says that this is not a valid law, then every other subordinate court will have to take that into consideration, in spite of this House. Here is a case in which the learned Attorney-General himself is not sure

under which entry it will be more justifiable. If you refer to the extract which the hon. Minister, Mr. Krishnamachari read out the other day you will find the Attorney-General saying that firstly this is relevant under item 43; if it is not relevant under it, then it is relevant under item 53! That is a very curious position. I still hold that in the Constitution there are no two provisions which contain the same thing. Every provision of the Constitution, every article of the Constitution, every item in every List of the Constitution is different from one another. I cannot consider any two provisions of the Constitution as supplementary to one another or complementary to each other. Each particular entry in the Constitution has a particular meaning. If my hon. friend is not able to convince us that this particular Bill owes its origin to a particular entry and its parentage is not doubtful, then this House must disregard what he says. The infringement of the Constitution is palpable, it is patent. Whatever the Attorney-General says, should not influence our views. The Attorney-General has a right to speak in this House. It is so provided in the Constitution. My hon. friend knows that this is a very difficult matter. Then why not my hon. friend get the Attorney-General here so that we can at least have a sense of his wisdom?

I would also invite your attention to the provisions on fundamental rights. I put a question the other day. My hon. friend said that article 19(1) (f) will apply very remotely. He considered the possibility whether it will apply even in a remote degree and then he said that the Attorney-General is of opinion that it would not apply even to a remote extent. Once you read that, it will be very clear. And then I put a question whether article 19(1) (g) will not apply. To that question of course the hon. Mr. Krishnamachari maintained his studied silence. This is not the way. If he thought it was proper to take this House into confidence, why did he not surprise this House of the legal difficulty? It shows he was aware and he had anticipated all the trouble.....

**Mr. Chairman:** I do not want to interrupt the hon. Member, but he has repeated all the arguments many times. If he has any other arguments to advance he may advance them. If he has no other arguments to advance, he may close his speech.

**Shri V. P. Nayar:** I submitted to you, Sir, why I was forced to repeat. Now that I find my hon. friend more

attentive I will not repeat. I was submitting to you, that, when I asked the hon. Minister how he will get over the provisions of article 19(1) (g) he was significantly silent.

**Shri T. T. Krishnamachari:** Make a pole vault.

**Shri V. P. Nayar:** I think, at the age of the hon. Minister and even at my age it is very difficult almost impossible. Let him not look back to his younger days.

So this is the real difficulty. I have strained myself, I stretched my imagination to the farthest to find out how this legislation could be brought here and smuggled through this House and how the Minister could get away with this. I know that he knew this difficulty. If he had only taken the House into confidence.....

**Mr. Chairman:** I am very sorry to interfere again, but the hon. Member is again repeating the very same argument. I think it is the sixth time he has said this.

**Shri V. P. Nayar:** I shall not repeat any more, for I am going to close my speech. I want to drive the point and make sure that the hon. Minister hears it and the House understands it. You can just see him, Sir. He is in conference.

**Mr. Chairman:** He has heard the same argument six times over.

**Shri V. P. Nayar:** I protest, Sir. He has not heard even once. If he has heard even once, I am sure he will accept my position.

**Mr. Chairman:** He will say about this when he rises to make his reply.

**Shri V. P. Nayar:** So I again submit to this House that it should cease to think of this Bill as a political matter and hon. Members must sit up for a while and consider whether it is not a clear case of infringement of the fundamental rights, a flagrant violation of the provisions of the Constitution—not one, but three provisions of the Constitution. With this I would conclude and humbly appeal to the House to consider the arguments which I have just submitted and give a decision in favour of the arguments which I have made. Hon. Members on the Government side should refuse to signal as political semaphores at the instance of the Whip.

**Shri Altekar (North Satara):** I would like to give a reply to the law point raised. My hon. friend on the Opposition has raised a point that the

Bill before the House is *ultra vires*. It is not at all so. Apart from the opinion that has been given by the Attorney-General, which is itself quite cogent, I would like to advance another very important point that is here in this question. The thing is that this Parliament is the supreme authority to legislate on any point that has not been put there either in List II or List III, that is the State List or the Concurrent List. If there is any point left, then according to article 248 it is quite within the jurisdiction of this House. The article runs:

"Parliament has exclusive power to make any law with respect to any matter not enumerated in the Concurrent List or State List. Such power shall include the power of making any law imposing a tax not mentioned in either of those Lists."

If amalgamation cannot be said to be included in any of the Lists or in any of the items given in List I, then this House has the power to legislate on a matter which is not there in any of the items in the Lists. Apart from that also, entry 97 of List I clearly states so. It says:

"Any other matter not enumerated in List II or List III including any tax not mentioned in either of those Lists".

Therefore, if amalgamation is not mentioned in List I or it does not occur in List II or List III, then this House has got that particular power either under item 97 of List I which I have just read out, that is under the residuary powers that have been given to this House, or which are there in this Parliament according to article 248. It is so explicit and clear that there is not any matter which can be said to be outside the power of this House. Therefore, I submit that this article 248 gives us all the necessary powers that are wanted for the purpose of legislating on any matter which is not contained in any of these Lists. These are the residuary powers and this Parliament is the supreme authority in the land to legislate on any matter. Therefore, I submit that this House is quite competent without any shadow of doubt to legislate on the matter of amalgamation if it is said that it is not included in item 43 of List I. If amalgamation is a matter which is not included in any of the Lists, then under article 248 there is no shadow of a doubt that we have the power.



**Shri V. P. Navar:** If I am not interrupting, I would like to know whether it is within the legislative competence of this House to restrict fundamental rights also.

**Shri Altekar:** That is a point raised by my hon. friend. I have replied so far as the question whether amalgamation can be gone into by this House is concerned. As regards the other question of fundamental rights also, I would reply. But, the first point that was raised by him with respect to amalgamation has been completely answered in my opinion. This House has got the power to legislate on the amalgamation.

**Shri V. P. Navar:** I must again interrupt the hon. Member. He has not understood my point.

**Some Hon. Members:** Closure.

**Mr. Chairman:** The hon. Member has not yet finished.

**Shri Altekar:** With respect to article 19 (1) (g).....

**Shri V. P. Navar:** The hon. Member has not understood my position.

**Mr. Chairman:** The hon. Member is not giving way. He must be allowed to proceed.

**Shri V. P. Navar:** He has not understood what I said.

**Mr. Chairman:** This is not a school debate where one Member could rise and ask another Member to give a specific reply to some specific point. The hon. Member is making his speech. The hon. Member should have the patience to hear first.

**Shri Borooah (Nowgong):** I beg to move:

"That the question be now put."

**Mr. Chairman:** The hon. Member is in the middle of his speech. How can closure be applied?

**Shri Altekar:** Another point that was raised by my hon. friend was with respect to fundamental rights. He wants to say that this House is not competent to curtail the rights that have been conferred under article 19 (1) (g). To that also there is an exception. The limitation is laid down as under: Clause (6) says:

"Nothing in sub-clause (g) of the said clause shall affect the operation of any existing law in so far as it imposes, or prevents the State from making any law

imposing, in the interests of the general public, reasonable restrictions on the exercise of the right conferred by the said sub-clause, and, in particular....."

If any reasonable restrictions are laid down for the purpose of preventing waste or duplication and for the purpose of their being greater production of steel in this country, which are certainly in general public interests, as is contemplated by clause (6), this House has got the authority to restrict in a particular manner the practice of any profession, and the carrying on of any occupation, trade or business. That is the restriction that will be laid and it will be quite consistent with clause (6) which has been enacted for the purpose of limiting certain general rights which are mentioned in clause (1) (g). There are two companies that are carrying on business independently. They are being amalgamated and they themselves desire to be amalgamated. Under such circumstances, in the general public interests, and in the interests of the country at large, this Bill is brought. It is quite within the power of this House, given to it under clause (6) of article 19. Therefore, this House is quite competent to pass this legislation.

**Shri Borooah:** I beg to move:

"That the question be now put."

**Shri M. S. Gurupadaswamy:** We have not spoken on this side.

**Shri K. K. Basu:** This side has not spoken.

**Shri H. N. Mukerjee:** May I make an appeal to you, Sir? This side has not spoken at all on this Bill of such importance.

**Mr. Chairman:** Nobody stood up from that side.

**Shri M. S. Gurupadaswamy:** We stood up.

**Shri K. K. Basu:** We stood up.

**Mr. Chairman:** When they did not rise, I could not call them. Closure has been moved. I will put it to the decision of the House. I am not making my decision.

**Shri K. K. Basu:** We will walk out.

**Mr. Chairman:** The question is:

"That the question be now put."

The motion was adopted.



**Mr. Chairman:** The hon. Minister.

**Shri M. S. Gurupadaswamy:** We would like to submit, Sir, that the Opposition Members have not been given sufficient opportunity to take part in the debate.

**Mr. Chairman:** I have called upon the hon. Minister. This is not the time to make a statement. The decision has been taken by the House.

**Shri M. S. Gurupadaswamy:** I only want to submit that we have not been sufficiently heard.

**Mr. Chairman:** I was myself anxious to give opportunity to the Opposition to speak. I waited. But, nobody stood up.

**Shri K. K. Basu:** Everybody stood up.

**Mr. Chairman:** The hon. Member Shri Navar came to me and said that he should get the last chance to speak. So I wanted to call him. When four or five Members stand from the other side and nobody stands from the Opposition it is not the business of the Chair to ask the Members of the Opposition to speak.

**Shri K. K. Basu:** If you remember a right, Sir, a number of Members stood up and I was there. I thought, after Mr. V. P. Nayar, I would be called.

**Mr. Chairman:** Even I asked the House if I should call the hon. Minister. If nobody wanted to speak before I saw Shri Bose standing and I called upon him to speak. Now, I have called the hon. Minister to speak. The question has been put and I am bound by the decision of the House. I cannot help it. There will be other occasions to speak on this Bill when amendments are moved. Hon. Members may make speeches at the third reading stage. Now, the decision has been taken. I cannot help it.

**Shri M. S. Gurupadaswamy:** We will walk out.

**Shri T. T. Krishnamachari:** I do not think there is much which has been said that needs a detailed reply. Perhaps hon. Members who had interfered may have said something which would have warranted a reply from me. Mr. A. C. Guha, who is not unfortunately here, had raised certain questions with regard to the agreement between the two firms and the Government. I may at once tell him that there is an understanding, but no agreement yet. The agreement will only arise when this House

sanctions our giving them a loan and we make an agreement. Even so, the letter that was issued by the Indian Iron and Steel Company and the Steel Corporation of Bengal to their shareholders dated 31st October, says definitely—Cost of Expansion Programme is the heading:

"The International Bank for Reconstruction and Development has indicated that it is prepared, subject to the terms of the loan being mutually agreed, to advance to the Company the sum that will be required for the purchase of Plant and Machinery from abroad. The Government of India has been pleased to signify to the Company that it will guarantee the repayment of such loan. The balance necessary will be found partly by the Company out of its own resources and partly by the Government of India. Your Directors are satisfied that the future prospects of the amalgamated Company are such that the funds to be found by the Company will be available.

In 1950 the Government made loans to the two Companies amounting in all to Rs. 5 crores. On amalgamation these two loans will be merged and additionally the Government of India has indicated that it is willing to grant a further loan of approximately Rs. 1½ crores. This consolidated loan will bear interest at the same rate as will be payable to the International Bank.

The Government of India has also indicated that it is willing to grant to the Indian Iron and Steel Co. Ltd. a special advance of Rs. 10 crores. This advance will be unsecured, will have no maturity date and it will carry no interest until after 1957."

It does not mean, at any rate, that it is a free gift. In this connection I would like to tell the House that sometime early this year, the steel companies in India have been agitating for an increase in retention price in order to enable them to fund the increase that they get thereby by way of profits so as to make it available for them to launch an expansion and modernisation schemes. A specific proposal was put to the Government. The Government after considering this proposal, felt that they cannot ask the consumer to pay a higher price which will go to augment the resources of these companies. But, they felt that it might be possible for Government to ask the consumer to pay a higher price to the steel bought by him, which can

[Shri T. T. Krishnamachari]

be funded by the Government and used generally for development purposes. That principle has been adopted by the Government and it is as a result of that that there have been two increases in the selling price of steel since the middle of 1952. The intention of the Government at the present time is to apply it to the Equalisation Fund. Perhaps later on, we may have to legislate in regard to the use of the amount that would have accrued in that Fund.

5 P.M.

The idea really is that we should use this amount which the consumer really pays for the purpose of developing the steel industry. Naturally, any money that goes into the Consolidated Fund, which will ultimately be the case in regard to the Iron & Steel Equalisation Fund, cannot be paid out without the approval of this House. It is our intention at a later date to regularise this Equalisation Fund in such a manner that the amounts lying to the credit of the Equalisation Fund can be used by Government for development purposes. If that is understood, then all the objections hon. Members have or have had to any advance being made to these companies which will bear no interest until they start producing and will bear such interest as the Tariff Commission or the Government agree to impose, will vanish. And naturally, any interest that they pay will come out of their cost, and therefore, the retention price will have to be increased if there is an additional burden. So, all this question of some money being given away free is not in the picture at all. It is merely a question of help—help during the time that the company will not be producing, and thereafter, the Government shall determine what the rate of interest is to be, how the interest is to be paid, how the principal is to be repaid, whether it is to be by asking them to amortize the loan or by asking them to go to the market for obtaining equity capital. All these things are more or less left to be decided at the proper time, and the only guarantee that we have given to these companies, if they accept our terms, is that we shall not make an executive decision, but we shall take the advice of the Tariff Commission who have gone into this matter from time to time, and who will keep in touch with the price of steel, the cost of production and so on, as the retention price we give to these companies will be a matter to be determined by the

Tariff Commission. That answers Mr Guba.

Mr. Bansal unfortunately made criticism of the Tariff Commission's report which I think is extremely unfair. The Tariff Commission fixed the ratio after full investigation. They had all the facts in their hands. The Tariff Commission had the reports of 1949, 1950 and recently 1951, and had gone into the entire question of the cost structure of this company, and if only my hon. friend will read para 11 of the report of 1951, he will find that they were fully armed with all the facts in the case, and if they did not mention the fact or argue the point in the report, it does not mean that they did so out of ignorance or without any proper examination of the cost structure and the financial position of the respective companies.

The hon. friend from Mysore made some very valuable points, and all that he said was more or less in support of the action taken by Government. So did Dr. M. M. Das, Mr. V. B. Gandhi, unfortunately, found fault with me for defects in presentation. I might tell him that the two private companies' position is known. The hon. Member could have gone into their accounts. The accounts are available. If he had asked me, I would have given them to him. In such matters Government cannot give any more information than what is available to the Members of the public.

Mr. Navatia has said something which is not germane to this issue. It is about the question of using scrap iron. One gentleman said we were not using scrap iron; another said, we were using. But we find electricity very costly. Very possibly that is the way in which the position has to be remedied. After this Hirakud and Bhakra-Nangal power is available we might be able to set up electric furnaces which will use up all the scrap iron available in this country.

So far as Mr. V. P. Nayar is concerned, the hon. Member was more or less trying to make a speech on facts which have really no bearing on the Constitution nor have any relation to the issue before the House. I am only glad that after all, as we say, even the fallen Archangel can quote the scripture: 'a Communist

friend can also say that the Constitution should not be infringed upon by any legislation that we introduce in this House.

I am very grateful to the support my hon. friend Mr. Altekar gave to this Bill. The Bill is fairly simple. We are doing all that could be done by a Court of law under the Companies Act in order to prevent speculation for one thing, and secondly, to achieve the purposes that we have in mind, fairly and quickly.

I therefore hope the House will accept the Bill in the form in which it has been presented.

Mr. Chairman: The question is:

"That the Bill to make special provision, in the interests of the general public and the Union, for the amalgamation of certain companies closely connected with each other in the manufacture and production of iron and steel, and for matters connected therewith or incidental thereto, be taken into consideration."

The motion was adopted.

The House then adjourned till a Quarter to Eleven of the Clock on Tuesday, the 9th December, 1952.